

CENTER FOR ECONOMIC GROWTH

FY 1999

RESULTS REVIEW
AND
RESOURCE REQUEST (R4)

April 30, 1997

Parts I, II, and III.

G/EG RESULTS REVIEW and RESOURCE REQUEST (R4)
TABLE OF CONTENTS

I. OVERVIEW AND FACTORS AFFECTING PROGRAM PERFORMANCE

II. PROGRESS TOWARD OBJECTIVES

- A. SSO1: Improved Access to Financial and Non-Financial Services for Microenterprises of the Poor
- B. SSO2: Improved Food Availability, Economic Growth and Conservation of Natural Resources through Agricultural Development
- C. SSO3: Support Appropriate and Functioning Economic Policies, Market Reforms and Institutions in Selected Emerging Markets and Priority Countries
- D. SpO1: Better Access to Finance and Information for Micro and Small Business (MSED)
- E. SpO2: Enhance the Ability of Indigenous Businesses to Become Viable within Emerging Markets (IESC & ATI)
- F. SpO3: Expand Technology Transfer by U.S. Business (CTIS & ETNA)
- G. SpO4: Increased Science and Technology Cooperation Among Middle Eastern and Developing Countries, and Utilization of U.S. & Israeli Technical Expertise by Developing Countries

III. STATUS OF MANAGEMENT CONTRACT

IV. RESOURCE REQUEST (Separately Bound)

V. ANNEX: OVERVIEW AND FACTORS AFFECTING TRANSITION STRATEGY AND IMPACT ON PROGRAM PERFORMANCE.

April 30, 1997

SECTION I: OVERVIEW AND FACTORS AFFECTING PROGRAM PERFORMANCE

A. Introduction: The Development Challenge

This R4 presentation represents a revised Strategic Framework in which the Strategic Objectives have been restated and Intermediate Results rewritten accordingly. This major change is the result of last year's review process and subsequent discussions with the Global Bureau's Project Development Office and several regional bureaus. Last year's Strategic Framework did not accurately reflect the Economic Growth Center's changing program. This R4 presents the new framework for approval.

Broad-based economic growth is one of USAID's four fundamental approaches to alleviating world poverty and achieving sustainable development. Poor countries need not remain poor. They can benefit from the burgeoning global economy if their economic policies and institutions favor economic growth. Appropriate reforms will not only reduce poverty in these countries, they will also benefit U.S. interests. By the year 2020, such reforms can save a half-billion people from the ravages of poverty. Similarly, with reform, U.S. exports to the countries with the most poor could rise to \$145 billion by the year 2020. The impact on the U.S. economy due to economic and institutional reform in LDCs is self-evident. In the countries where USAID works the most basic challenge now is to build on the substantial development progress that has already been made to facilitate trade and investment, the last step in the development continuum.

To support these Agency goals, the Center for Economic Growth emphasizes programs in microenterprise, agriculture, economic policy and institutional reform, emerging markets, business development and credit and investment. The Agriculture program of the Center will also support the Agency goal of Protecting the Environment. The Center currently focuses on three strategic support objectives (SSOs) and four special objectives (SpOs):

SSO1: Improved Access to Financial and Non-Financial Services for Microenterprises of the Poor.

SSO2: Improved Food Availability, Economic Growth and Conservation of Natural Resources through Agricultural Development

SSO3: Support Appropriate and Functioning Economic Policies, Market Reforms and Institutions in Selected Emerging Markets and Priority Countries

SpO1: Better Access to Finance and Information for Micro and Small Business (MSED)

SpO2: Enhance the Ability of Indigenous Businesses to Become Viable within Emerging Markets (IESC & ATI)

SpO3 Expand Technology Transfer by U.S. Business (CTIS & ETNA)

SpO4: Increased Science and Technology Cooperation Among Middle Eastern and Developing Countries, and Utilization of U.S. & Israeli Technical Expertise by Developing Countries

B. Summary of Factors Affecting EG Program Performance

Over the last year, EG began a major restructuring of its Strategic Plan to adjust to our unusual funding structure. This is reflected in this R4 which is, in fact, a cross between a Strategic Plan and an R4. This document, therefore, is unavoidably long.

A number of factors affect program performance; by far the most critical is the lack of funding and lack of control over resources budgeted to the Center. For example, there is recognition throughout USAID that there is insufficient funding for Economic Growth programs (especially for Agriculture and Emerging Markets). This is also true in Missions whose programmatic initiatives EG supports. The Administrator stated in recent Hill testimony that he is aware of the problem and is seeking solutions to rectify the situation.

The most recent budget cycle illustrates the problem. With a major effort on the part of Global and the Agency, funds have been shifted from through-out the Agency to supplement G/EG core FY 97 OYB funds of \$79 million with approximately \$40 million from other sources. The proposed core budget for EG for FY 98 and FY 99 will once again, however, start with impossibly low levels, which are currently proposed to be around \$60 million. This lack of core funding and uncertainty regarding availability of funds from other sources makes our program -- and the Center's survival -- precarious, to say the least.

Our second challenge involves procurement. On the plus side, many missions are now able to procure services from, and transfer budgets to, EG programs directly. The new Managing Organization option in NMS shows promise of making funding and procurement options simpler. In addition, streamlined procurement mechanisms have been worked out between EG and OP; see, for example, SSO3. On the negative side, the situation with the time required to process actions through OP in Washington has often reached crisis proportions.

A third challenge is increased integration; EG is making special efforts within the G Bureau, the Agency and the development community in this area. For example, Intermediate Result 2.3 involves work between EG/AFS and ENV staff; they are developing the USAID Biodiversity Strategy and are cooperating on activities involving forestry, agroforestry, water resources, fragile lands, and natural resource and agriculture indicators of sustainable use.

Despite these challenges, the services of EG staff and Results Packages are in high demand by missions and regional bureaus. EG economists have made major contributions to programs and strategies in the Philippines, Haiti, Bosnia and Russia. ENI Bureau is exploring a major relationship with our Credit and Investment staff on an investment fund. The Russia mission may provide extensive funding to our Office of Business Development in

support of a Russian Far East Trade and Investment program; and EG/AFS is playing a pivotal role in the Greater Horn of Africa Initiative, the USG's follow-up to the World Food Summit, and in the Middle East peace process. The breadth of these efforts -- despite the factors affecting EG program performance -- make it clear that a way must be found, and soon, to deal with the funding crisis facing EG and USAID's economic growth initiative.

CENTER FOR ECONOMIC GROWTH STRATEGIC PLAN - OUTLINE

AGENCY GOAL #1:

Broad-based Economic Growth Achieved

Strategic Support Objectives

- | | | |
|-----------------------------------------------------------------------------------------------|------------------------------------------------------------------------------------------------------------------------|----------------------------------------------------------------------------------------------------------------------------------------------|
| 1. Improved access to financial and non-financial services for micro-enterprises of the poor. | 2. Improved food availability, economic growth and conservation of natural resources through agricultural development. | 3. Support appropriate and functioning economic policies, market reforms & institutions in selected emerging markets and priority countries. |
|-----------------------------------------------------------------------------------------------|------------------------------------------------------------------------------------------------------------------------|----------------------------------------------------------------------------------------------------------------------------------------------|

Intermediate Results

- | | | |
|-------------------------------------------------------------------------------------------------------------------------|------------------------------------------------------------------------------------------------------------------------------|---------------------------------------------------------------------------------------------------|
| 1.1 Expanded delivery of financial and non-financial services to micro-entrepreneurs. | 2.1 Sustainable technologies and policies that enhance food availability developed and adopted. | 3.1 Increased host-country privatization efforts & competitive market environments. |
| 1.2 Increased capability of financial and non-financial institutions to service micro-enterprises. | 2.2 Policies and technologies that improve food access and agribusiness opportunities developed and adopted. | 3.2 Increasingly liquid, transparent and rationalized financial markets. |
| 1.3 Expanded dissemination of "best practices" in USAID-supported programs & in the micro-enterprise development field. | 2.3 Technologies, policies and practices that enhance the long-term conservation of natural resources developed and adopted. | 3.3 Increased economic stability and structural reforms. |
| | 2.4 An information system established to enhance decision making for the agricultural sector developed and adopted. | 3.4 Increased application of legal, institutional and regulatory reforms for competitive markets. |
| | | 3.5 Increased trade, investment and general business environment. |

CENTER FOR ECONOMIC GROWTH STRATEGIC PLAN - OUTLINE

<i>Special Objectives</i>			
1. Better access to finance, technology and information for micro-enterprises and small businesses.	2. Enhance the ability of indigenous businesses to become viable within emerging markets.	3. Expand technology transfer by U.S. business.	4. Increased science and technology cooperation among Middle Eastern and developing countries, and utilization of U.S. and Israeli technical expertise by developing countries.
<i>Intermediate Results</i>			
1.1 Create linkages between financial institutions and micro and small business.	2.1 Volunteer assistance enhances host-country business viability in emerging markets.	3.1 Expanded outreach of business and trade opportunities.	4.1 Collaboration between Israeli and other Middle Eastern or developing country scientists established.
1.2 Encourage indigenous financial institutions to increase lending to micro and small businesses.	2.2 Economically sustainable technologies create commercially viable small enterprises.		4.2 Israeli agricultural expertise transferred to Middle Eastern and developing countries.

SECTION II: PROGRESS TOWARD OBJECTIVES

SSO 1: Improved Access to Financial and non-Financial Services for Microenterprises of the Poor

1. Overview and Factors Affecting Performance

The Microenterprise field is continuing to receive substantial attention from donors, non-governmental organizations and the U.S. Congress. Donors such as the IDB, the World Bank, and a number of bilateral donors, such as Japan, Great Britain, Canada, Australia, France and the European Union are increasing their participation in the microenterprise area. The World Bank's Consultative Group to Assist the Poorest (C/GAP), a multi-donor effort which USAID was instrumental in establishing, is off to a strong start. And, a new microenterprise fund, MicroStart, has been set-up by the United Nations Development Programme (UNDP).

However, despite strong interest and increased funding levels by other donors, the field is progressing slowly. Particularly in the area of microfinance, there are still only a few major actors and hundreds of small programs are still struggling to achieve minimal levels of scale and sustainability. Although there are now a variety of successful models in the field and best practices have been disseminated widely, the institutional capacity to reach higher numbers of clients with appropriate products on a sustainable basis is still lagging and remains a key challenge.

G/EG/MD programs are working towards meeting these needs. The Implementation Grant (IGP) and the PRIME Fund programs are supporting organizations with strong potential to increase their scale and sustainability. However, we face generally weak management structures among many of the current and prospective implementors. Our MicroServe and Best Practices programs are helping to develop institutional capacity by examining current issues, disseminating lessons learned, and providing on-the-ground technical assistance and services to Mission staff. Our AIMS program is helping institutions in the field understand their clients, in order to better adapt their products and services to this market segment. Finally, G/EG/MD staff are offering direct technical assistance to implementing organizations and Missions in order to ensure the application of best practices in the field. We continue to support the microfinance training program initiated at the Economics Institute in Boulder, Colorado--an investment that has had noticeable payoffs in terms of strengthened capacity within Missions and non-governmental organizations.

Nevertheless, there is much to be done. More training is needed for personnel of implementing organizations and for Mission staffs to support an ambitious, yet managed, growth of local institutions. Regions of the world where the microenterprise field does not have a firm foothold, such as Africa, will require more intensive attention and investment. These are some of the themes that we will focus on in the coming year and are embedded in the new Microenterprise Initiative for 1997-1999, recently signed by the Administrator.

In terms of performance at the Strategic Support Objective level, we are seeing definite progress. In FY 1994, according to data from the Microenterprise Monitoring System

(MEMS) survey, the Agency as a whole was reaching 331,243 microenterprise borrowers in 40 countries. In FY 1996, the IGP, PRIME (co-financing with Missions) and Grameen Trust programs *alone* supported institutions that had 364,326 clients. Data on the microenterprise programs of Missions not associated with PRIME will be available in September 1997 when the new Microenterprise Results Report (MRR) survey is completed. The number of active borrowers for the Agency as a whole is expected to surpass 385,000 for FY 1996.

Progress can also be seen in the programs of the Office of Microenterprise Development from FY 1995 to FY 1996. In FY 1995 our IGP, PRIME and Grameen Trust programs supported 233,711 clients. In FY 1996, as noted above, these programs were supporting 364,626. This growth demonstrates that our Agency programs are helping to increase the access to financial and non-financial services by microenterprises world-wide.

2. Progress Toward Objectives

Last year's SO1, "Better Access to Finance, Technology and Information for Microenterprises and Small Businesses," has been separated into three components, covered by one SSO and two SpOs in this plan. In addition, its intermediate results and many of its indicators have been modified. This new SSO1 is now associated only with the activities of the Office of Microenterprise Development. However, given that MD is the Agency's technical center for microenterprise, it will collect data on the microenterprise programs both for the entire Agency and for its own direct activities.

There are two indicators for this new Strategic Support Objective:

- a) Number of active borrowers in USAID-assisted ME programs world-wide; and
- b) Percentage of women clients in USAID-supported ME programs world-wide.

Data for the Agency as a whole is available for FY 1994 -- the first year in which a world-wide institutional survey was conducted. A new survey is currently being designed and will be carried out in June, 1997; its results will be available in September, 1997. Thus, data for the SSO1 indicators are available for 1994 and will be again available for 1996, once the survey is completed. The 1996 data will be provided during the R4 review in the Spring of 1998.

3. Expected Progress Through FY 1999 and Management Actions

Administrator Atwood recently renewed the Agency's Microenterprise Initiative for the 1997 - 1999 period. To be officially launched in May of this year, the Initiative commits USAID to continued funding and engagement in the microenterprise area, as well as increased regional deepening in Africa and the ENI, where microenterprise programming is least well established.

The new Microenterprise Results Reporting contract, recently signed (and seriously delayed by the NMS procedures), will provide the Agency with a mechanism for tracking key obligations and poverty lending data required for reporting to the U.S. Congress. The contractor will also develop a database of USAID-funded microenterprise institutions world-

wide. The data will permit us to be more responsive to Agency reporting requirements.

During the coming year, MD, the BHR Bureau and the Microenterprise Coalition (a network of U.S. PVOs) will be discussing ways in which to help PVOs develop their institutional capacity to support more and higher quality microenterprise programs.

Contracting issues have been a major issue for OMD this past year. At least six of the FY 1996 IGP grants were seriously delayed as a result of problems associated with the New Management System. Most of the pending grants were signed in April 1997; one grant still awaits resolution of a technical problem with the NMS request. These delays have hurt some of the ongoing programs which are awaiting fresh credit funds from the IGP grant, and have postponed the start-up of others.

Funding levels for the Office of Microenterprise Development are expected to stay constant, and possibly increase, over FY 98 and FY 99. With the IGP and PRIME Fund programs in full swing, staffing levels in OMD are already stretched thin. Additional requirements on the office planned under NMS, such as assuming certain program officer and accounting functions, will put an extra burden on staff which, without relief, may begin to impact program quality in terms of MD's ability to support the field. Should funding levels be increased over FY 1997 levels, the Office will be forced to request additional staffing.

SSO 1: Improved Access to Financial and Non-Financial Services for Microenterprises of the Poor APPROVED: COUNTRY/ORGANIZATION: G/EG/MD			
INTERMEDIATE RESULT: Expanded Delivery of Financial and Non-Financial Services for Microenterprises of the Poor			
INDICATOR (a): Number of active borrowers in USAID-supported programs world-wide			
UNIT OF MEASURE: Number of active borrowers SOURCE: . Surveys of USAID ME programs	YEAR	PLANNED	ACTUAL
	94	(Baseline)	331,243
	96	360,000	385,000 (est.)
	98	400,000	

This new SSO1 has three Intermediate Results (IR), also modified from last year. These IRs are more results-oriented and will provide better measures of progress. They are: IR1: Expanded Delivery of Financial and Non-financial Services to Microentrepreneurs; IR2: Increased Capability of Financial and Non-financial Institutions to Service Microenterprises; and IR3: Expanded Dissemination of Best Practices in USAID-Supported Programs and in the

Microenterprise Development Field. These three IRs correspond to three main pillars of the MD office. The first funds programs which aim to increase scale and sustainability, while reducing donor dependence. The second develops standards of institutional performance; and, the third provides best practices information to practitioners, missions and other donors in the field.

Intermediate Result 1: Expanded Delivery of Financial and Non-Financial Services to Microentrepreneurs

This new IR focusses on the delivery of microenterprise services to increase the scale of microenterprise institutions, which are, with a few exceptions, still relatively small. This IR has four indicators:

- a) Number of active borrowers
- b) Percentage of women borrowers
- c) Number of savers
- c) Number of non-financial services clients

Data for these indicators will be derived from the MD's Grameen Trust, IGP and PRIME Fund programs, which fund PVOs directly or through co-financing with Missions. The IGP funded 9 PVOs in FY 1995 and approved 10 PVO programs in FY 1996. Unfortunately, given serious contracting delays associated with the New Management System, actual awards for FY 1996 programs are only now (April, 1997) being completed. The 11 programs of the IGP which were signed in 1995 and 1996, plus the Grameen Trust program, report 202,953 active borrowers in the Fall of 1996, of which 85% were women. The FY 1997 IGP competition is still underway, with seven institutions being selected for further analysis and possible funding. The Grameen Trust is currently working with 45 Grameen replication institutions.

In FY 95 the PRIME Fund supported 11 Missions in developing 13 microenterprise initiatives. Six of these activities were for financial services. In FY 96, the Fund supported the microenterprise activities of 16 Missions. Eleven Missions expanded their microenterprise portfolios, and five Missions started new microenterprise initiatives with PRIME Fund assistance. As of the Fall of 1996, 161,373 borrowers (80% women) and 21,900 business development clients (66% women) from 58 institutions were co-financed through the PRIME Fund.

The indicator tables for this Intermediate Result follow.

SSO 1: Improved Access to Financial and Non-Financial Services for Microenterprises of the Poor APPROVED: COUNTRY/ORGANIZATION: G/EG/MD			
INTERMEDIATE RESULT 1: Expanded Delivery of Financial and Non-Financial Services to Microentrepreneurs			
INDICATOR (a): Number of active borrowers of institutions supported by G/EG/MD programs			
UNIT OF MEASURE: Number of active borrowers SOURCE: . G/EG/MD's IGP and PRIME programs and the Grameen Trust INDICATOR DESCRIPTION: COMMENTS: 95 Baseline data: IGP: 42,967; PRIME: 111,000; Grameen: 79,744. Breakdown of 96 data: IGP: 70,993; PRIME: 161,373; Grameen Trust: 131,960. The Grameen Trust will be incorporated under the IGP for 1997-1999. A new IGP grant with Grameen Trust was signed in April of 1997.		PLANNED	ACTUAL
	95	(Baseline)	233,711
	96	300,000	364,326
	97	400,000	
	98	450,000	
	99	480,000	

SSO 1: Improved Access to Financial and Non-Financial Services for Microenterprises of the Poor APPROVED: COUNTRY/ORGANIZATION: G/EG/MD			
INTERMEDIATE RESULT 1: Expanded Delivery of Financial and Non-Financial Services to Microentrepreneurs			
INDICATOR (b): Percentage of women borrowers in G/EG/MD supported programs			
UNIT OF MEASURE: Weighted average of the percentage of women borrowers of the institutions with active USAID agreements during the Fiscal Year. SOURCE: G/EG/MD's IGP and PRIME programs. INDICATOR DESCRIPTION: COMMENTS: Breakdown for 1996: IGP, incl. Grameen Trust, Weighted Average: 85% PRIME weighted average: 80%	YEAR	PLANNED	ACTUAL
	96	75%	83%
	97	75%	
	98	75%	
	99	75%	

SSO 1: Improved Access to Financial and Non-Financial Services for Microenterprises of the Poor APPROVED: COUNTRY/ORGANIZATION: G/EG/MD			
INTERMEDIATE RESULT 1: Expanded Delivery of Financial and Non-Financial Services to Microentrepreneurs			
INDICATOR (c): No. of Savers of institutions supported by G/EG/MD programs			
UNIT OF MEASURE: Total number of savers of all of the institutions supported directly by G/EG/MD programs or Prime Fund Missions. SOURCE: G/EG/MD's IGP and PRIME programs. INDICATOR DESCRIPTION: COMMENTS: 1996 Data Breakdown: IGP: 316,950 (includes 312,187 for WOCCU-Ecuador) Grameen Trust: 131,960 PRIME Fund: 106,457 Actual was much higher than planned because of the inclusion of WOCCU. When WOCCU terminates, numbers will again drop.	YEAR	PLANNED	ACTUAL
	96	250,000	576,217
	97	590,000	
	98	600,000	
	99	620,000	

SSO 1: Improved Access to Financial and Non-Financial Services for Microenterprises of the Poor APPROVED: COUNTRY/ORGANIZATION: G/EG/MD			
INTERMEDIATE RESULT 1: Expanded Delivery of Financial and Non-Financial Services to Microentrepreneurs			
INDICATOR (d): Number of clients receiving non-financial services through G/EG/MD supported programs.			
UNIT OF MEASURE: Sum of all non-financial clients from the institutions supported directly by G/EG/MD or through Prime Missions. SOURCE: G/EG/MD's IGP and PRIME programs. INDICATOR DESCRIPTION: COMMENTS: Breakdown for 1996 data: IGP: 0 (no IGP supported non-financial services programs are operational in 1996) Prime Fund: 21.902 Non-financial services programs tend to be costly and reach few clients. Therefore, small increases in planned levels have been programmed.	YEAR	PLANNED	ACTUAL
	96	20,000	21,902
	97	23,000	
	98	24,000	
	99	25,000	

Intermediate Result 2: Increased Capability of Financial and Non-Financial Institutions to Service Microenterprises

This Intermediate Result focusses on the capacity of institutions to provide microenterprise services. We are interested in determining whether these institutions are making progress towards covering their costs, whether they are managing their loan portfolios properly and whether they are meeting their client outreach targets. The specific indicators are:

- a) Number of operationally sustainable institutions
- b) Portfolio at risk, which according to USAID policy should be below 10%.
- c) Number of institutions meeting client outreach targets.

These are new indicators, hence, we have not previously reported on them. It should be noted that the planned target levels for the operational sustainability indicator will remain relatively constant. Almost half of all the IGP and PRIME Fund programs have a three-year duration. Thus, by FY 1999 the numbers of institutions we are supporting will level-out and the stronger "graduates" will be replaced by, in some cases, younger start-up programs with low levels of clients and operational sustainability.

SSO 1: Improved Access to Financial and Non-Financial Services for Microenterprises of the Poor APPROVED: COUNTRY/ORGANIZATION: G/EG/MD			
INTERMEDIATE RESULT 2: Increased Capability of Financial and Non-Financial Institutions to Service Microenterprises			
INDICATOR (a): Number of operationally sustainable institutions supported by G/EG/MD programs.			
UNIT OF MEASURE: Sum of all operationally sustainable institutions with active agreements with USAID. SOURCE: G/EG/MD's IGP and PRIME programs. INDICATOR DESCRIPTION: Operational sustainability refers to the ability of institutions to cover their expenses from client revenues. COMMENTS: 1996 Data Breakdown: IGP: Out of 13 institutions, 3 are sustainable. Excludes Grameen Trust. PRIME Fund: Out of 27 microfinance institutions, 7 sustainable.	YEAR	PLANNED	ACTUAL
	96	10	10
	97	15	
	98	15	
	99	15	

SSO 1: Improved Access to Financial and Non-Financial Services for Microenterprises of the Poor APPROVED: COUNTRY/ORGANIZATION: G/EG/MD			
INTERMEDIATE RESULT 2: Increased Capability of Financial and Non-Financial Institutions to Service Microenterprises			
INDICATOR (b): Portfolio at risk of ME institutions.			
UNIT OF MEASURE: Weighted average of the PAR rate for all institutions supported under the IGP. SOURCE: G/EG/MD's IGP program only. INDICATOR DESCRIPTION: Delinquent outstanding balance over 90 days. COMMENTS: Portfolio at risk skyrocketed to 29% and 34% in IGP programs in Zimbabwe and Bulgaria programs. G/EG/MD has threatened to close-down these two programs if they do not substantially improve this indicator. The weighted average of the portfolio at risk for the IGP programs stands at 10%.	YEAR	PLANNED	ACTUAL
	96	10%	10%
	97	10%	
	98	10%	
	99	10%	

SSO 1: Improved Access to Financial and Non-Financial Services for Microenterprises of the Poor APPROVED: COUNTRY/ORGANIZATION: G/EG/MD			
INTERMEDIATE RESULT 2: Increased Capability of Financial and Non-Financial Institutions to Service Microenterprises			
INDICATOR (c): Number of institutions exceeding client outreach targets.			
UNIT OF MEASURE: Number of institutions with an active IGP or PRIME grant that have exceeded client outreach targets. SOURCE: G/EG/MD's IGP and PRIME programs. INDICATOR DESCRIPTION: IGP grant agreements include annual client outreach performance targets. COMMENTS: Six out of 11 IGP grants signed by 6/96 exceeded targets as of September 1996: Accion in Peru, Meda in Nicaragua, Meda in Zimbabwe, OI in Ghana, Save the Children in Jordan, WOCCU in Ecuador. Targets were not met in various countries due to delays in start-up of the local institutions or to macro-economic instability. PRIME Fund: Out of 27 microfinance institutions, 9 are exceeding client targets (K-REP in Kenya, FINCA in Malawi, ACLEDA in Cambodia, Nirdahn in Nepal, CSD in Nepal, FIE in Bolivia, Sartawi in Bolivia, FUNADEH in Honduras, CRS in Peru).	YEAR	PLANNED	ACTUAL
	96	10	15
	97	17	
	98	20	
	99	25	

Intermediate Result 3: Expanded Dissemination of Best Practices in USAID-Supported Programs and in the Microenterprise Development Field

This new Intermediate Result has been slightly modified from last year's "Support to USAID Missions, Host Country and Implementing Organizations." The new result better focusses on the product we seek -- expanded best practices among practitioners and donors. There are three quantitative indicators and one qualitative indicator to measure progress of this result. They are:

- a) Number of institutional assessments conducted
- b) Number of best practices conferences and training events.
- c) Number of Missions served through G/EG/MD programs
- d) Technical leadership exhibited by G/EG/md (qualitative)

SSO 1: Improved Access to Financial and Non-Financial Services for Microenterprises of the Poor APPROVED: COUNTRY/ORGANIZATION: G/EG/MD			
INTERMEDIATE RESULT 3: Expanded Dissemination of Best Practices in USAID-Supported Programs and in the Microenterprise Development Field			
INDICATOR (a): Number of institutional assessments conducted.			
UNIT OF MEASURE: Number of institutional assessments conducted under G/EG/MD programs during the last calendar year. SOURCE: IGP, PRIME, Microserve program records. INDICATOR DESCRIPTION: Field assessments of ongoing or potential microenterprise programs are conducted in order to judge whether programs are developing adequately and whether they are applying best practices. COMMENTS: IGP: In Calendar Year 1996, the following eight assessments were conducted: OI programs in Ghana and Bulgaria, WOCCU in Ecuador, MEDA in Nicaragua, World Education in Mali, CRS in Indonesia, Save the Children in Jordan, and FFH in Bolivia. Prime Fund: Cambodia, Guyana, Malawi Microserve: Bangladesh, Bolivia (3), Sri Lanka (3) Institutional assessments may decline in number in FY 1999, depending on funding levels.	YEAR	PLANNED	ACTUAL
	96	10	19
	97	15	
	98	15	
	99	12	

SSO 1: Improved Access to Financial and Non-Financial Services for Microenterprises of the Poor APPROVED: COUNTRY/ORGANIZATION: G/EG/MD			
INTERMEDIATE RESULT 3: Expanded Dissemination of Best Practices in USAID-Supported Programs and in the Microenterprise Development Field			
INDICATOR (b): Number of Best Practices Conferences and Training Events			
UNIT OF MEASURE: Number of conferences and training events to disseminate best practices during the last calendar year. SOURCE: G/EG/MD Staff and Microserve, MBP, AIMS programs. INDICATOR DESCRIPTION: COMMENTS: For calendar year 1996: Commercial banks conference in WDC ME conference in West Bank/Gaza Microfinance Training in Washington D.C. Video Training modules, Jamaica	EAR	PLANNED	ACTUAL
	96	4	4
	97	5	
	98	5	
	99	5	

SSO 1: Improved Access to Financial and Non-Financial Services for Microenterprises of the Poor APPROVED: COUNTRY/ORGANIZATION: G/EG/MD			
INTERMEDIATE RESULT 3: Expanded Dissemination of Best Practices in USAID-Supported Programs and in the Microenterprise Development Field			
INDICATOR (c): Number of Missions served through G/EG/MD programs.			
UNIT OF MEASURE: Number of Missions served through Microserve, AIMS, MBP, IGP, PRIME and staff during the last calendar year. SOURCE: G/EG/MD's Microserve, AIMS, PRIME reports and staff technical assistance. INDICATOR DESCRIPTION: COMMENTS: Missions served through MD programs in calendar year 96 include: In LAC: Bolivia, Ecuador, El Salvador, Guyana, Haiti, Honduras, Nicaragua, Peru; In AFR: Guinea, Kenya, Malawi, Mali, Niger, South Africa, Uganda; In ANE: Bangladesh, Cambodia, India, Indonesia, Morocco, Nepal, Philippines, Sri Lanka, West Bank/Gaza.	YEAR	PLANNED	ACTUAL
	96	20	26
	97	25	
	98	27	
	99	30	

Indicator (d): Technical Leadership Exhibited

This is a purely qualitative indicator, and there is no table associated with it. G/EG/MD has taken a leadership role among practitioners of microfinance and other donors. It sponsored a conference on commercial banks in microfinance, at which bankers implementing microfinance services gathered for the first time. This conference was an important step toward moving microfinance into mainstream financial systems. G/EG/MD has been an active member of the Consultative Group to Assist the Poorest (CGAP), serving on all the major CGAP working groups, and heading the working group on impact assessment. This leadership effort is drawing on the work of the AIMS project, to which the microfinance field is looking for guidelines in carrying out high quality impact assessments. Finally, through the Microenterprise Best Practices project, USAID has established an action research agenda that will help move the frontiers of the microenterprise field forward.

Strategic Support Objective 1:

Improved Access to Financial and Non-Financial Services for Micro-enterprises of the Poor

Indicator

- Number of active borrowers and savers in USAID-assisted micro-enterprise programs worldwide
- Percent of women and clients in USAID-supported micro-enterprise programs

Intermediate Results

1.1 Expanded delivery of financial and non-financial services to micro-entrepreneurs.

1.2 Increased capability of financial and non-financial institutions to service micro-enterprises.

1.3 Expanded dissemination of best practices in USAID-supported programs & in the micro-enterprise development field.

Indicators

1.1.1 No. of active borrowers at institutions supported by G/EG/MD programs.

1.2.1 No. of operationally sustainable institutions supported by G/EG/MD programs.

1.3.1 No. of person-days of technical assistance by G/EG/MD contractors and Staff.

1.1.2 Percentage of women in G/EG/MD-supported programs.

1.2.2 Average portfolio at risk in G/EG/MD-supported programs.

1.3.2 No. of institutional assessments & strategies conducted by G/EG/MD.

1.1.3 No. of savers at institutions supported by G/EG/MD.

1.2.3 No. of institutions supported by G/EG/MD programs meeting client outreach targets.

1.3.3 No. of "best practices" conference under G/EG/MD programs.

SSO 2: Improved Food Availability, Economic Growth and Conservation of Natural Resources Through Agricultural Development

1. Overview and Factors Affecting Performance

Agricultural development is a keystone for more general economic development and the conservation of natural resources. By increasing food production and improving marketing efficiency, food supplies are increased and food prices are reduced. The result is increased incomes for producers and increased purchasing power for consumers. Moreover, the process stimulates general economic development which, in turn, expands the demand for agricultural products. Improved food availability and increased incomes are also key factors in alleviating food insecurity. Improved and sustainable agricultural practices can also contribute significantly to the improved conservation of natural resources; they are complementary, rather than competitive, activities.

Agricultural development is brought about by many factors but two of the most important are improved technologies and policies, both of which are within the Office of Agriculture and Food Security's (AFS) manageable interest. These technologies and policies are largely derived from, or based on, research which attempts to find new and better ways of addressing constraints. Therefore, AFS places major emphasis on supporting a wide range of applied research activities in and for developing countries. Adoption requires that research must be followed by development or outreach activities. And, both public and private sectors need to be involved in all phases.

This is a large task and AFS's resources are limited. As a result, it seeks to multiply the financial and human resources at its disposal by working closely with other USAID offices, bureaus and missions, as well as a number of outside groups. For instance, it collaborates with: more than 40 other donors in sponsoring the Consultative Group on International Agricultural Research (CGIAR) which supports 16 international research centers; dozens of U.S. colleges and universities and developing nations institutions through its Collaborative Research Support Program (CRSP); and additional institutions and the private sector through other mechanisms. In every case, emphasis is placed on developing international public goods which can be used by all.

Impediments to sustainable agricultural development which, therefore, are within AFS's capacity to address are:

- 1) limited research capacity and lack of sustainable agricultural production technologies to address food production constraints;
- 2) inadequate or inappropriate enabling policies, technical expertise and/or business practices which impede the growth of the commercial agricultural sector and constrain income growth; and
- 3) lack of natural resources management strategies and techniques to conserve and renew agricultural resources for long-term use and sustainability.

AFS has a comparative advantage in addressing these impediments: the technical expertise of its staff, its practical experience with agriculture in a development context, its experience in multilateral activities, and its relationships with the U.S. agricultural community at large.

2. Progress Toward Objectives

The EG Center's R4 which was prepared last spring did not include indicators for the predecessor of SSO 2. Therefore, the following Performance Data Tables do not include planned results for 1996, which are included beginning with 1997.

Given the breadth of activities and the geographical scope involved, it is obviously difficult to pinpoint one indicator which covers everything. The most comprehensive and meaningful indicator that we have been able to identify is an index of per capita food production. The index has some limitations but also has substantial strengths. The most obvious limitation is that it reflects both growth in agricultural production and population change. It also does not provide a direct measure of the effect of work in natural resources, although in the long run it will influence the sustainability of food production. On the other hand, it definitely does indicate whether we are making progress in agricultural development in a way that relates both to the individual and the economy more generally.

The past record has been, overall, a remarkably positive one, but there has been a prominent exception. For all developing countries, the index (1989/91=100) has increased from 83.1 in 1975 to 113.6 in 1996. The rate of growth has been sharpest in Asia (from an index of 78.2 to 118.1) followed by Latin America (from 90.8 to 105.3). Africa is the worrisome exception and has shown a long term decrease (from 108.9 to 96.6). Food production in Africa has increased significantly, but has been offset by population growth.

In making projections for the future, we have drawn on the past record but have tried to weave in current thinking about future prospects. The result is a set of positive indexes for Asia (2.0) and Latin America (0.5), but a negative index for Africa (-0.5). Given the current precarious state of foreign assistance programs and funding for agricultural research, the projections, while conservative in historical terms, may yet prove to be too optimistic in an uncertain future.

3 Expected Progress through FY 1999 and Management Actions:

AFS's various activities will continue to seek solutions to a wide-range of constraints to agricultural production, marketing and the conservation of natural resources. Expected progress toward the achievement of this SSO and its indicators is presented in the attached Performance Data Tables. The Individual projects will continue to be monitored by the appropriate mechanisms..

The major management action that is required is to make funding available in a timely manner and at levels which will allow these projects to continue their global programs.

SSO2: Improved food availability, economic growth and conservation of natural resources through agricultural development.			
APPROVED: Not yet approved		COUNTRY/ORGANIZATION: G/EG/AFS	
INDICATOR: Increases in per-capita food production at a global/regional level.			
UNIT OF MEASURE: Per-capita food production index. SOURCE: FAO INDICATOR DESCRIPTION: Index of price-weighted quantities of production aggregated for all developing countries. COMMENTS: 1. The baseline index represents a three-year average for the period of 1989 - 91. 2. Historical data is provided to indicate trends. 3. 1996 index represents FAO's preliminary estimate. 4. Projections for 1997 - 99 represent an increase of 1.5% over the average of the previous two years. 5. Projected changes are calculated based on historical data.	YEAR	PLANNED	ACTUAL
	1991 (B)		100.0
	1992		103.1
	1993		105.5
	1994		109.2
	1995		112.6
	1996		113.6
	1997	114.6	
	1998	115.6	
	1999 (T)	116.6	

SSO2 Improved food availability, economic growth and conservation of natural resources through agricultural development.

APPROVED: Not yet approved

COUNTRY/ORGANIZATION: G/EG/AFS

INDICATOR: Increases in per-capita food production at a global/regional level.

UNIT OF MEASURE: Per-capita food production index	YEAR	PLANNED	ACTUAL
	1991 (B)		100.0
	1992		97.3
	1993		98.5
	1994		98.0
	1995		94.8
	1996		96.6
	1997	95.2	
	1998	95.0	
	1999 (T)	94.8	

SOURCE: FAO

INDICATOR DESCRIPTION: Index of price-weighted quantities of production aggregated for countries in Africa.

COMMENTS:

1. The baseline index represents a three-year average for the period of 1989 - 91.

2. Historical data is provided to indicate trends.

3. 1996 index represents FAO's preliminary estimate.

4. The index has been decreasing in Africa over a 20-year period. The planned indicators represent a decrease of 0.5% from the average of the previous two years. This percent decrease is less than the average decrease for 1992 - 96.

5. Projected changes are calculated based on historical data.

SSO2: Improved food availability, economic growth and conservation of natural resources through agricultural development.			
APPROVED: Not yet approved		COUNTRY/ORGANIZATION: G/EG/AFS	
INDICATOR: Increases in per-capita food production at a global/regional level.			
UNIT OF MEASURE: Per-capita food production index. SOURCE: FAO INDICATOR DESCRIPTION: Index of price-weighted quantities of production aggregated for countries in Asia. COMMENTS: 1. The baseline index represents a three-year average for the period of 1989 - 91. 2. Historical data is provided to indicate trends. 3. 1996 index represents FAO's preliminary estimate. 4. Projections for 1997 - 99 represent an increase of 2.0% over the average of the previous two years. 5. Projected changes are calculated based on historical data.	YEAR	PLANNED	ACTUAL
	1991 (B)		100.0
	1992		104.4
	1993		107.6
	1994		112.1
	1995		116.8
	1996		118.1
	1997	119.4	
	1998	120.7	
	1999 (T)	122.0	

SSO2: Improved food availability, economic growth and conservation of natural resources through agricultural development.

APPROVED: Not yet approved

COUNTRY/ORGANIZATION: G/EG/AFS

INDICATOR: Increases in per-capita food production at a global/regional level.

<div>UNIT OF MEASURE: Per-capita food production index.</div> <div>SOURCE: FAO</div> <div>INDICATOR DESCRIPTION: Index of price-weighted quantities of production aggregated for countries in Latin America.</div> <div>COMMENTS:<div>1. The baseline index represents a three-year average for the period of 1989 - 91.</div><div>2. Historical data is provided to indicate trends.</div><div>3. 1996 index represents FAO's preliminary estimate.</div><div>4. Projections for 1997 - 99 represent an increase of 0.5% over the average of the previous two years.</div><div>5. Projected changes are calculated based on historical data.</div></div>	YEAR	PLANNED	ACTUAL
	1991 (B)		100.0
	1992		100.8
	1993		100.5
	1994		103.8
	1995		105.3
	1996		105.3
	1997	105.8	
	1998	106.1	
	1999 (T)	106.5	

Intermediate Result 2.1: Sustainable Technologies and Policies that Enhance Food Availability Developed and Adopted

This IR supports the need for continued investment in technology development and policy reform in order to achieve food security. This IR is within our manageable interest due to our many years of practical experience and our long-standing relationship with the U.S. and international agricultural research community.

Examples of activities through which IR 2.1 is being addressed include the CRSPs as well as our contribution to the CGIAR centers and other IARCs. In all of these, USAID provides only a portion of the total funding of these activities. It is estimated that USAID provides about 60% of the total funding of the CRSPs. The remaining 40% comes from the collaborating U.S. and host-country institutions. USAID contributes less than 10% of the total budget of the CGIAR centers.

The Annex contains some examples of how AFS's projects are contributing toward achieving IR 2.1. Results from these activities, are achieved through long-term research. Rarely are results achieved in a single year. As such, the examples of progress toward this IR reflect results achieved over several years of research (long-term perspective.)

The indicators chosen to measure progress toward this IR are concerned with yield and production increases. Agricultural production is a function of yield and the area cultivated. Most of the future increases in production will be a result of increased yields, as the availability of arable land for expansion is quite limited in most areas. As such, increased yields will result in increased production and, therefore, improved food availability.

The EG Center's R4 which was prepared last spring did not include indicators for the predecessors of SSO 2 or IR 2.1. As such, the following Performance Data Tables do not include planned results for 1996, which will be included beginning with 1997. In some cases (Indicator 2.1a), actual/estimated 1996 data is not yet available. In these cases, 1997 planned results will be calculated as soon as the 1996 data becomes available. Historical data is provided to show recent trends, and planned levels are calculated based on this historical data. The Annex discusses the indicators which were presented at last year's R4 review, and for which data has been collected.

SSO2: Improved food availability, economic growth and conservation of natural resources through agricultural development.			
APPROVED: Not yet approved		COUNTRY/ORGANIZATION: G/EG/AFS	
INTERMEDIATE RESULT 2.1: Sustainable technologies and policies that enhance food availability developed and adopted.			
INDICATOR 2.1a: Increased yields and/or reduced productions costs for targeted crops/commodities in selected countries.			
UNIT OF MEASURE: Kilograms per hectare SOURCE: FAO INDICATOR DESCRIPTION: Average combined yield of cereals (primarily wheat and rice with small quantities of other cereal grains) aggregated for all developing countries. COMMENTS: 1. The baseline index represents a three-year average for the period of 1989 - 91. 2. Historical data is provided to indicate trends. 3. Planned indicator will be calculated as soon as 1996 data becomes available.	YEAR	PLANNED	ACTUAL
	1991 (B)		2,387
	1993		2,550
	1994		2,523
	1995		2,565
	1996		Not yet available
	1997		
	1998		
	1999 (T)		

SSO2: Improved food availability, economic growth and conservation of natural resources through agricultural development.			
APPROVED: Not yet approved		COUNTRY/ORGANIZATION: G/EG/AFS	
INTERMEDIATE RESULT 2.1: Sustainable technologies and policies that enhance food availability developed and adopted.			
INDICATOR 2.1a: Increased yields and/or reduced productions costs for targeted crops/commodities in selected countries.			
UNIT OF MEASURE: Kilograms per hectare SOURCE: FAO INDICATOR DESCRIPTION: Average combined yield of coarse grains (corn, barley,rye, oats,millet and sorghum) aggregated for all developing countries. COMMENTS: 1. The baseline index represents a three-year average for the period of 1989 - 91. 2. Historical data is provided to indicate trends. 3. Planned indicator will be calculated as soon as 1996 data becomes available.	YEAR	PLANNED	ACTUAL
	1991 (B)		1,657
	1993		1,845
	1994		1,809
	1995		1,828
	1996		Not yet available
	1997		
	1998		
	1999 (T)		

SSO2: Improved food availability, economic growth and conservation of natural resources through agricultural development. APPROVED: Not yet approved COUNTRY/ORGANIZATION: G/EG/AFS			
INTERMEDIATE RESULT 2.1: Sustainable technologies and policies that enhance food availability developed and adopted.			
INDICATOR 2.1a: Increased yields and/or reduced productions costs for targeted crops/commodities in selected countries.			
UNIT OF MEASURE: Kilograms per hectare SOURCE: FAO INDICATOR DESCRIPTION: Average combined yield of root crops (potatoes, sweet potatoes, cassava, yams and taro) aggregated for all developing countries. COMMENTS: 1. The baseline index represents a three-year average for the period of 1989 - 91. 2. Historical data is provided to indicate trends. 3. Planned indicator will be calculated as soon as 1996 data becomes available.	YEAR	PLANNED	ACTUAL
	1991 (B)		11,008
	1993		11,623
	1994		11,590
	1995		11,348
	1996		Not yet available
	1997		
	1998		
	1999 (T)		

SSO2: Improved food availability, economic growth and conservation of natural resources through agricultural development. APPROVED: Not yet approved COUNTRY/ORGANIZATION: G/EG/AFS			
INTERMEDIATE RESULT 2.1: Sustainable technologies and policies that enhance food availability developed and adopted.			
INDICATOR 2.1a: Increased yields and/or reduced productions costs for targeted crops/commodities in selected countries.			
UNIT OF MEASURE: Kilograms per hectare SOURCE: FAO INDICATOR DESCRIPTION: Average combined yield of pulses (dry beans, bread beans, dry peas, cowpeas, chickpeas and lentils) aggregated for all developing countries. COMMENTS: 1. The baseline index represents a three-year average for the period of 1989 - 91. 2. Historical data is provided to indicate trends. 3. Planned indicator will be calculated as soon as 1996 data becomes available.	YEAR	PLANNED	ACTUAL
	1991 (B)		646
	1993		668
	1994		677
	1995		669
	1996		Not yet available
	1997		
	1998		
	1999 (T)		

SSO2: Improved food availability, economic growth and conservation of natural resources through agricultural development.			
APPROVED: Not yet approved		COUNTRY/ORGANIZATION: G/EG/AFS	
INTERMEDIATE RESULT 2.1: Sustainable technologies and policies that enhance food availability developed and adopted.			
INDICATOR 2.1b: Increased food production by region/country.			
UNIT OF MEASURE: Food production index. SOURCE: FAO INDICATOR DESCRIPTION: Price-weighted index of food production aggregated for countries in Africa. COMMENTS: 1. The baseline index represents a three-year average for the period of 1989 - 91. 2. Historical data is provided to indicate trends. 3. 1996 index represents FAO's preliminary estimate. 4. Planned indicator represents an increase of 1.4% over the average of the previous two years. Production in Africa is particularly volatile. 5. Projected changes are calculated based on historical data.	YEAR	PLANNED	ACTUAL
	1991 (B)		100.0
	1992		103.0
	1993		107.3
	1994		109.8
	1995		109.1
	1996		114.3
	1997	113.1	
	1998	115.1	
	1999 (T)	115.5	

SSO2: Improved food availability, economic growth and conservation of natural resources through agricultural development.			
APPROVED: Not yet approved		COUNTRY/ORGANIZATION: G/EG/AFS	
INTERMEDIATE RESULT 2.1: Sustainable technologies and policies that enhance food availability developed and adopted.			
INDICATOR 2.1b: Increased food production by region/country.			
UNIT OF MEASURE: Food production index. SOURCE: FAO INDICATOR DESCRIPTION: Price-weighted index of food production aggregated for countries in Asia. COMMENTS: 1. The baseline index represents a three-year average for the period of 1989 - 91. 2. Historical data is provided to indicate trends. 3. 1996 index represents FAO's preliminary estimate. 4. Planned indicator represents an increase of 3.5% over the average of the previous two years. 5. Projected changes are calculated based on historical data.	YEAR	PLANNED	ACTUAL
	1991 (B)		100.0
	1992		108.0
	1993		113.1
	1994		119.8
	1995		126.8
	1996		130.2
	1997	132.0	
	1998	134.6	
	1999 (T)	136.8	

SSO2: Improved food availability, economic growth and conservation of natural resources through agricultural development.			
APPROVED: Not yet approved		COUNTRY/ORGANIZATION: G/EG/AFS	
INTERMEDIATE RESULT 2.1: Sustainable technologies and policies that enhance food availability developed and adopted.			
INDICATOR 2.1b: Increased food production by region/country.			
UNIT OF MEASURE: Food production index. SOURCE: FAO INDICATOR DESCRIPTION: Price-weighted index of food production aggregated for countries in Latin America and the Caribbean COMMENTS: 1. The baseline index represents a three-year average for the period of 1989 - 91. 2. Historical data is provided to indicate trends. 3. 1996 index represents FAO's preliminary estimate. 4. Planned indicator represents an increase of 2.1% over the average of the previous two years. 5. Projected changes are calculated based on historical data.	YEAR	PLANNED	ACTUAL
	1991 (B)		100.0
	1992		104.7
	1993		106.3
	1994		111.7
	1995		115.4
	1996		117.4
	1997	118.5	
	1998	120.0	
	1999 (T)	121.4	

Intermediate Result 2.2: Policies and Technologies that Improved Food Access and Agribusiness Opportunities Developed and Adopted

IR 2.2 reflects, in large part, those factors and activities in the agricultural food system that permit individuals and families to undertake profitable enterprises involving farm production: distribution and access to technology such as seeds, fertilizer, crop production chemicals; access to rural finance and markets; expanded outputs and value-added products involving trade. Taken together, they lead to increased incomes and greater purchasing power by greater numbers of people in developing countries. This IR speaks primarily to demand driven constraints in the: 1) policy and regulatory enabling environment; 2) efficient application of market-driven technology; and, 3) ability of entrepreneurs to compete in a global market place.

This is the initial reporting year on these indicators and, therefore, there are no benchmarks to analyze past performance.

The indicators chosen for IR 2.2, when viewed collectively, will reflect progress and/or deterioration of the agricultural economy and, hence, the ability of people to either produce or purchase food, and to invest in other enterprises. The indicators and their measurement will continue to be refined over the next year. The Annex presents an analysis of Performance Data Tables constructed from data from the transition period (last year's IR.)

SSO 2: Improved food availability, economic growth and conservation of natural resources through agricultural development. APPROVED: Not yet approved COUNTRY/ORGANIZATION: G/EG/AFS			
INTERMEDIATE RESULT 2.2 Policies and technologies that improve food access and agribusiness opportunities developed and adopted.			
INDICATOR 2.2a: Reduction in proportion of income spent on food in selected countries.			
UNIT OF MEASURE: Proportion of income spent on food (aggregate or by country to be determined) SOURCE: TBD INDICATOR DESCRIPTION: COMMENTS: The IR team is in the process of finding and accessing this data on a regular basis.	YEAR	PLANNED	ACTUAL

SSO 2: Improved food availability, economic growth and conservation of natural resources through agricultural development. APPROVED: Not yet approved COUNTRY/ORGANIZATION: G/EG/AFS			
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INTERMEDIATE RESULT 2.2: Policies and technologies that improve food access and agribusiness opportunities developed and adopted.					
INDICATOR 2.2b: Increased private sector participation in selected countries.					
UNIT OF MEASURE: Freedom to participate in a market economy, 0-2 scale. A designation of "2" indicates most free. SOURCE: Freedom House INDICATOR DESCRIPTION: The ability to participate in a market economy is an indicator for favorable policy change. COMMENTS: Work in IR 2.4 is expected to contribute to the measurement of this indicator.	COUNTRY	'95	'97 P/A	'98 P/A	'99 P/A
	Bolivia	1	1	1	2
	Peru	1	1	1	2
	Senegal	1	1	2	2
	El Salvador	1	1	2	2
	Kenya	1	1	1	2
	Egypt	1	1	1	2
	Mozambique	1	1	1	2
	Haiti	1	1	1	2
	Indonesia	0	0	0	1
	Kazakhstan	0	0	1	1

SSO2: Improved food availability, economic growth and conservation of natural resources through agricultural development.

APPROVED: Not yet approved

COUNTRY/ORGANIZATION: G/EG/AFS

INTERMEDIATE RESULT 2.2: Policies and technologies that improve food access and agribusiness opportunities developed and adopted.

INDICATOR 2.2c: Improvement nutritional status in developing countries.

UNIT OF MEASURE: Prevalence of underweight among 5-year-olds (%). SOURCE: WHO Global data base on Child Growth INDICATOR DESCRIPTION: Increased production coupled with increased food availability will reduce child malnutrition. COMMENTS: Data not collected annually in every country. Global estimations of annual reductions are subject to disasters both natural and man-made. As mitigating war, unusual drought and flooding are beyond the manageable interests of this Office, a complex data normalizing model must be constructed. Work in IR 2.4 is expected to provide this.	YEAR	PLANNED	ACTUAL
	1992		42.7%

Intermediate Result 2.3: Technologies, Policies and Practices that Enhance the Long-Term Conservation of Natural Resources Developed and Adopted

The state of natural resources associated with agricultural production is an increasing problem in many areas. The International Soil Reference and Information Center estimated that 9 million hectares worldwide are extremely degraded, and 1.2 billion hectares, nearly 10 percent of the Earth's vegetated surface, are moderately degraded. Faulty agricultural practices account for 28 percent of the degraded lands. This loss threatens the agricultural sector -- the engine of economic growth in most developing countries. People's jobs, food security and health are threatened. In order to make up for low agricultural productivity people tend to use environmentally valuable or fragile lands. There is, clearly, a need to improve natural resource management to halt soil degradation and to reclaim moderately degraded lands.

IR 2.3 supports sustainable development by enhancing agricultural development and food security while protecting the environment. The IR reflects investments in research and the development of new technologies and practices to enhance long-term conservation of agricultural and non-agricultural natural resources. Strategic linkages among researchers and extension specialists will help the development and adoption of new technologies by farmers. This is within our manageable interests due to our relationship with the U.S. and international agricultural research community, and their record of impacts. The Annex presents examples of progress and impact, as well as additional discussion on specific IR 2.3 indicators for the transition period (last year's IR.)

The indicators for this IR are concerned with measurements of environmental quality. New technologies, policies and practices should decrease total suspended solids, soil nutrients, numbers of *E.coli* bacteria in streams. Land cover, biodiversity, soil quality, agricultural productivity, and food sufficiency and security are optional indicators. A selected small group of indicators would provide a flexible approach for monitoring and interpreting results of project activities.

SSO2: Improved food availability, economic growth and conservation of natural resources through agricultural development. APPROVED: Not yet approved COUNTRY/ORGANIZATION: G/EG/AFS			
INTERMEDIATE RESULT 2.3: Technologies, policies and practices that enhance the long-term conservation of natural resources developed and adopted.			
INDICATOR 2.3a: Reduction in water pollution and sedimentation of watersheds in selected countries.			
UNIT OF MEASURE: Tons of soil loss per hectare. SOURCE: Project research in Honduras in conjunction with USAID/Honduras Land Use and Productivity Enhancement Project INDICATOR DESCRIPTION: Data represent soil loss averaged over three years by slash and burn farming minus soil loss by recommended conservation practice. COMMENTS: This is science-based data showing additional soil loss by traditional slash and burn farming practices compared to recommended conservation practice. USAID/Honduras is using data to seek policy reforms in land management by the government. Private sector has made policy changes. Shrimp farmers are taxing themselves to support upland soil conservation practices.	YEAR	PLANNED	ACTUAL
	1994-96		87
	1997	TBD	
	1998		
	1999		

SSO2: Improved food availability, economic growth and conservation of natural resources through agricultural development. APPROVED: Not yet approved COUNTRY/ORGANIZATION: G/EG/AFS			
INTERMEDIATE RESULT 2.3: Technologies, policies and practices that enhance the long-term conservation of natural resources developed and adopted.			
INDICATOR 2.3b: Improvements in land use patterns in selected countries.			
UNIT OF MEASURE: Percent agricultural land under improved land use practices. SOURCE: Research project and GIS databases INDICATOR DESCRIPTION: COMMENTS: We are currently looking for a source of data for this indicator. The projects may have to collect data for selected countries from GIS databases.	YEAR	PLANNED	ACTUAL
	1996		Not yet available

Intermediate Result 2.4: An Information System Established to Enhance Decision Making for the Agricultural Sector Developed and Adopted

Based on U.S. leadership, the international donor community now recognizes the need to establish an information system that will enhance donor and recipient country decision-making in the agricultural sector.

The objective of IR 2.4 is twofold:

1. to provide information useful to those having responsibility for demonstrating the value of investing in agricultural technology generation, increasing production and improving processing and food delivery systems; and,
2. to provide a methodology for optimal management of scarce agricultural development resources.

Though no resources, other than human, were available to devote to this IR during the period, networking with other donors, the World Bank and other interested parties generated a lot of interest. A number of good unsolicited proposals were received that address both framework fine tuning and case study methodology refinement -- issues left over from the Athens meeting.

The Annex describes additional information on this Intermediate Result.

SSO2: Improved food availability, economic growth and conservation of natural resources through agricultural development. APPROVED: Not yet approved COUNTRY/ORGANIZATION: G/EG/AFS			
INTERMEDIATE RESULT 2.4 An information system established to enhance decision making for the agricultural sector developed and adopted.			
INDICATOR 2.4a: Data and analyses from this system support Intermediate Results 2.1, 2.2 and 2.3.			
UNIT OF MEASURE: yes or no (two years after initial funding) SOURCE: G/EG/AFS R4 INDICATOR DESCRIPTION: Acceptance of data collection and analysis system. COMMENTS: The complexity in this sector make it very difficult to attribute direct impact of donor agricultural funding, both bilaterally and globally, to economic growth and general welfare of the intended recipients. One purpose of this IR is to engage the research community into providing information to make the case [see expectations in other IRs].	YEAR	PLANNED	ACTUAL
	1999	yes	

SSO2: Improved food availability, economic growth and conservation of natural resources through agricultural development. APPROVED: Not yet approved COUNTRY/ORGANIZATION: G/EG/AFS			
INTERMEDIATE RESULT 2.4: An information system established to enhance decision making for the agricultural sector developed and adopted.			
INDICATOR 2.4b: Partnerships with other stakeholders to develop the global research monitoring system.			
UNIT OF MEASURE: #s of partnerships established between: AID/US Universities, AID/Other Donors, US Universities/IARCS SOURCE: MOUs, Grants, Reports INDICATOR DESCRIPTION: Formal links and relationships leading to a working monitoring model that is used to help manage agricultural research resources more effectively. COMMENTS:	YEAR	PLANNED	ACTUAL
	1995	0,1,0	0,1,3
	1996	0,1,0	0,1,5
	1997	3,3,7	

SSO2: Improved food availability, economic growth and conservation of natural resources through agricultural development. APPROVED: Not yet approved COUNTRY/ORGANIZATION: G/EG/AFS			
INTERMEDIATE RESULT 2.4: An information system established to enhance decision making for the agricultural sector developed and adopted.			
INDICATOR 2.4c: Draft indicator framework developed.			
UNIT OF MEASURE: Yes or no SOURCE: conference and miscellaneous reports INDICATOR DESCRIPTION: framework describes data collection, integration and presentation methodology COMMENTS: the Athens workshop laid out the basic structure and a number of unsolicited proposals have been put forth refining it and containing plans to verify applicability of its elements. Funding is not in place to entertain further work in this area.	YEAR	PLANNED	ACTUAL
	1996	yes	yes

SSO2: Improved food availability, economic growth and conservation of natural resources through agricultural development. APPROVED: Not yet approved COUNTRY/ORGANIZATION: G/EG/AFS			
INTERMEDIATE RESULT 2.4: An information system established to enhance decision making for the agricultural sector developed and adopted.			
INDICATOR 2.4d: Data collection, analyses and presentation standards established.			
UNIT OF MEASURE: # of case studies <u>funded and begun, completed, and, numbers of research institutions adopting the process.</u> SOURCE: <u>US University, IARC, CGIAR and ESDAR reports</u> INDICATOR DESCRIPTION: successful testing and [partial] implementation of Athens hypotheses. COMMENTS: The Athens framework identified 6 levels of data collection and analysis required for an effective agricultural research impact monitoring and resource management system. A major assumption is that base-line data (tracing technology transfer and adoption from IARC to farmer and the measurement of added benefits to the farmer and consumers) can be acquired in a cost effective manner	YEAR	PLANNED	ACTUAL
	1996*	4,4,2	0,0,0
	1997	4,0,2	
	1998		
		running totals	

SSO2: Improved food availability, economic growth and conservation of natural resources through agricultural development. APPROVED: Not yet approved COUNTRY/ORGANIZATION: G/EG/AFS			
INTERMEDIATE RESULT 2.4: An information system established to enhance decision making for the agricultural sector developed and adopted.			
INDICATOR 2.4e: Number of donors using the system and benefitting from the results.			
UNIT OF MEASURE: Number of donors adopting new management system. SOURCE: E-mails; formal correspondence, ESDAR INDICATOR DESCRIPTION: Ownership of the process by others is required for this activity to work and be sustainable. Numbers of other actors show their commitments to, and expectations of the process. COMMENTS: 1. Though the magnitude of resources required to implement the eventual monitoring system world-wide is unclear at this time, AID leadership in the start-up of this activity is critical. 2. This activity is at too early a stage to effectively plan expectations of other donor inputs.	YEAR	PLANNED	ACTUAL

<p align="center">Strategic Support Objective 2:</p> <p align="center">Improved food availability, economic growth and conservation of natural resources through agricultural development.</p> <p align="center">Indicator</p> <p align="center">Increases in per-capita food production at a global/regional level.</p>			
Intermediate Results			
2.1 Sustainable technologies and policies that enhance food availability developed and adopted.	2.2 Policies and technologies that improve food access and agribusiness opportunities developed and adopted.	2.3 Technologies, policies and practices that enhance the long-term conservation of natural resources developed and adopted.	2.4 An information system established to enhance decision making for the agricultural sector developed and adopted.
Indicators			
2.1.a Increased yields and/or reduced production costs for targeted crops/commodities in selected countries.	2.2.a Reduction in proportion of income spent on food in selected countries.	2.3.a Reduction in water pollution and sedimentation of watersheds in selected countries.	2.4.a Data and analyses from this system support Intermediate Results 2.1, 2.2 and 2.3.
2.1.b Increased food production by region/country.	2.2.b Increased private sector participation in selected countries.	2.3.b Improvements in land use patterns in selected countries.	2.4.b Partnerships with other stakeholders to develop the global research monitoring system.
	2.2.c Improved nutritional status in developing countries.		2.4.c. Draft indicator framework developed.
			2.4.d. Data collection, analyses and presentation standards established.
			2.4.e. Number of donors using the system and benefitting from the results.

SSO 3: Support Appropriate and Functioning Economic Policies, Market Reforms in Emerging Markets and Priority Countries

1. Overview and Factors Affecting Performance

This R4 reviews the results of SSO 3, approved in July, 1995. The objective has three components:

- 1) Improvements in efficiency and competitiveness of national and local economies;
- 2) Expanded access to economic opportunity; and,
- 3) Increasing integration of AID-assisted countries into a rapidly globalizing economy.

Our accomplishments and "results" should be measured by the ultimate impact on our "customers". However, our impact on our ultimate customers, the world's poor, are attributable directly to the success of field operations, which we support through our activities. Our contributions toward helping field missions achieve results are, therefore, best indicated by the nature and level of demand for EM technical services. This demand continues to be strong.

Another barometer of progress toward our objectives is the Center's ability to leverage its scarce resources, as measured by the ratio of the dollar amount of "core", or EM-funded activities, to mission buy-ins or OYB transfers for EM's services. These measures tell us that efficiencies in service provision are increasing and demand for our services are increasing.

For this SSO, reengineering has resulted in the development of an "umbrella" activity which combines all the Office's projects into a single unit. The new bundled activity, "Support for Economic and Institutional Reform" (SEGIR), expands Mission and Bureau access to services, reduces the costs of overhead, increases selection options by our customers and positions the Center in a technical leadership role. SEGIR, as a multi-taking, umbrella mechanism, using IQC-contracts, will make available to Missions and to Regional Bureaus approximately 50 primary contractors (with potentially hundreds of qualified and easily-accessed subcontractors).

The change in the SSO language and subsequent indicators is a result of the change in the mandate of the office in EG which has the primary responsibility for managing the SSO. The Office of Economic and Institutional Reform was changed to the Office of Emerging Markets in response to the Administrator's initiative. Consequently, the focus of the SSO, its IRs, Indicators and nature of activities are changing.

2. Progress Toward Objectives

Historically, missions and regional bureaus have accessed our program-funded service providers (contractors) for assistance in program design, development, administration, implementation and analyses. The average number of annual requests such assistance between 1988 and 1995 was 122. The number of Mission and Bureau requests for contractor

services for FY 96 was 80, a decrease of 34% over the annual average of the past nine years. The drop in requests is explained by:

- 1) A consolidation, or "bundling", of tasking requests by the field into single tasks, representing a similar amount of work to what, in the past, would have been requested in two or three separate tasks;
- 2) The planned termination of EIR's privatization project, which normally attracted nearly 20% of the requests and the delay (due to a protest) in the "multitasking" contracts startup for the new privatization awards; and,
- 3) A reduction in economic growth funding throughout the Agency for EG activities, and increasing reliance on USDH staff to perform technical work.

At the same time, the average leverage ratio for SSO 3 activities is 13:1. In other words, for every dollar of our core resources, Missions or Bureaus are contributing through, buy-ins or OYB transfers, nearly \$13 to access our services. Furthermore, in the Private Sector Development activity (PEDS III), the ratio of Mission funds to core expenditures exceeded 47:1 indicating the continued high level of demand for these services.

Finally, EM direct hire staff are used by missions and bureaus to help determine strategies, provide guidance for developing sector interventions, policy analyses, and activity design. Despite limitations on OE budgets, Missions have requested and paid for approximately 427 person-days of TDYs for EM staff to advise and assist on economic growth activities related to SSO 3. This represents an increase of more than 38% over the previous period.

For the past two years, the measurement of this SSO has used indicators such as number and type of services provided by EG, budgets and ratios of core expenditures to field support funding. The Annex provides additional information on the measurement of this SSO using this approach.

While these measures directly provide an indication of the demand for EG services and technical inputs, they do not capture the change our interventions seek to bring about. While it is the Center's intention to continue to track its activities by subject, expenditures and region as we have done for the past two years, we have also recognized the need to indicate the more substantive impact of the interventions which we support. Therefore, beginning this cycle and subject to approval during this R4 process, we have refined the SSO 3 and its indicators to reflect the change. The following framework and indicator tables describe the new SSO 3, including its intermediate results and indicators.

3. Expected Progress Through FY 1999 and Management Actions

EM's progress in meeting its objectives of providing technical leadership and quick-response mechanisms will largely be determined by the direction and pace of the Agency's reorganization and reengineering efforts. On the one hand, as overseas missions close, there will be a smaller "customer" base for our services. On the other hand, as USAID moves towards 30 sustainable development missions (full presence), 20 transition countries with

representation and 10 special interest countries, the full range of economic growth technical areas are likely to be needed to meet Agency and mission strategic objectives.

Nonetheless, the level of funding provided to EM will largely determine the extent to which the office can offer both technical leadership and services to missions and bureaus. The development and design of economic growth development models, the provision of world-class technical assistance, and undertaking cutting-edge applied research will require resources to support our core agendas. Without such resources, our ability to provide the support required by the rest of the Agency will be seriously curtailed, as we have begun to witness this past year FY.

Progress through 1999 is based on the assumption that the budget amount of approximately \$6.9 million will be received during April 1997. It is further assumed that increased levels for FY98 and FY99 are not forthcoming. Expected progress through 1999 then, when measured by the currently approved set of indicators, will reflect a continued lower level in the number of activities, a stabilized expenditure (assuming the budget is straight-lined) and an increase in USDH technical assistance to the field.

The indicator tables that follow present base year numbers (mostly for 1995) and "planned," desirable, numbers for the year 2000. Because each table provides these numbers (to the extent that data are in hand) for each of 15 countries, simplification of the tables dictates that "planned" numbers are not provided for each of the intermediate years. The rule of thumb, applicable to most line items is that movement from 1995 to 2020 should be at the rate of -- at least -- 1/5-a-year of the original gap. The exceptions, e.g., getting Russia's inflation rate from 250% to 8%, are covered in a separate projection available from G/EG/EM.

Intermediate Result 3.1: Increased Host Country Privatization and Improvements in Competitive Market Environments

Most of USAID's host governments have made considerable progress in privatization and otherwise improving their business environments for private enterprise. Nevertheless, most host governments continue to support state-owned enterprises that use resources inefficiently, fail to provide consumer satisfaction, and require subsidies that contribute to government deficits.

G/EG/EM is now collecting data on the extent of these subsidies but has not yet been able to complete the collection for the 15 countries emphasized here. The reliable figures now in hand are shown in the following indicators table. The planned numbers for the year 2000 are, for each country, one half of those of the base year.

G/EG/EM will continue to provide technical assistance to host governments for policy reforms that increase the efficiency and reduce the losses of state-owned enterprises before they are sold and that assist with privatization. These reforms will permit nations to get bigger outputs from existing resources, to provide greater consumer satisfaction, and to reduce government deficits.

SSO3: Support appropriate and functioning economic policies, market reforms and institutions in selected emerging markets and priority countries APPROVED: 04/10/97 COUNTRY/ORGANIZATION: G/EG/EM				
INTERMEDIATE RESULT: 3.1 Increased host country privatization efforts and competitive market environments				
INDICATOR: 3.1.1 Subsidies paid by the central government to state-owned nonfinancial enterprises as a percent of central government spending.				
UNIT OF MEASURE: Subsidies / Government Spending SOURCE: GFS, IMF INDICATOR DESCRIPTION: Provides an obtainable measure of change in government subsidization of its inefficient and money-losing enterprises. COMMENTS: There will inevitably be a 2-year lag in obtaining data.	COUNTRY	BASE YEAR 1994	PLANNED YEAR 2000	ACTUAL YEAR 2000
	BOLIVIA	2.4%	1.2%	
	EGYPT	□	TBD	
	EL SALVADOR ⁹³	9.3%	4.7%	
	GHANA	□	TBD	
	HAITI	□	TBD	
	INDIA	□	TBD	
	INDONESIA	□	TBD	
	JORDAN ⁹³	2.8%	1.4%	
	PERU	□	TBD	
	PHILIPPINES	□	TBD	
	POLAND	2.9%	1.5%	
	RUSSIA	14.3%	7.2%	
	SOUTH AFRICA	1.6%	0.8%	
	UKRAINE	13.1%	6.6%	
	ZIMBABWE	□	TBD	

□ = Data being collected

TBD = To be determined

Note: The indicator for El Salvador and Jordan is for 1993, the most recent estimate available.

Intermediate Result 3.2: Increasingly Liquid, Transparent and Rationalized Financial Markets

Financial markets are largely recognized as the basic underpinning of a country's movement toward sustained economic growth. The intermediate result we seek is characterized by increasingly liquid, transparent and rationalized mechanisms that make financial markets viable, access to credit easier and transactions more efficient and transparent. To measure the so-called "DEPTH" measurement was determined to be the best indicator of progress. The presumption underlying the measure is that the size, depth and breadth of the formal financial sector is positively associated with the provision of financial services and the provision of these services is a key indicator of movement toward sustained economic growth.

SSO3: Support appropriate and functioning economic policies, market reforms and institutions in selected emerging markets and priority countries. APPROVED: 04/10/97 COUNTRY/ORGANIZATION: G/EG/EM: SSO#3				
INTERMEDIATE RESULT : 3.2 Increasingly liquid, transparent and rationalized financial markets.				
INDICATOR: Capital market flows within USAID-assisted countries as measured by DEPTH (M2/GDP).				
UNIT OF MEASURE: M2/GDP for selected USAID-assisted countries SOURCE: WDR, IFC INDICATOR DESCRIPTION: A standard and accurate measure of the breadth and depth of changes in financial markets within countries. COMMENTS: There will inevitably be a 2-year lag in obtaining data	COUNTRY	BASE YEAR, 1995	PLANNED YEAR, 2000	ACTUAL YEAR, 2000
	BOLIVIA	44.9%	48	
	EGYPT	96.8%	TBD	
	EL SALVADOR	36.1%	40	
	GHANA	15.4%	20	
	HAITI	42.9%	47	
	INDIA	46.0%	49	
	INDONESIA	40.6%	44	
	JORDAN	104.5%	TBD	
	PERU	17.2%	22	
	PHILIPPINES	45.4%	48	
	POLAND	31.8%	40	
	RUSSIA	11.6%	20	
	SOUTH AFRICA	51.7%	55	
	UKRAINE	13.1%	20	
	ZIMBABWE	25.6%	30	

TBD = To be determined

Intermediate Result 3.3: Increased Economic Stability and Stabilization Reforms

Over recent decades, most USAID-assisted nations have suffered years of large government deficits, high rates of price inflation, and frequent foreign exchange crises caused by "shortages" of foreign exchange. Most USAID missions have played some role in the many policy reforms that have brought greater macroeconomic stability to their host nations. In some nations, Mission concern is now to prevent backsliding; in others, Missions are providing help with the extension and elaboration of stabilization reforms. G/EG/EM will continue its support for both maintenance and extension of stabilization reforms.

Three intermediate indicators will measure maintenance of past stabilization reforms and progress in expending stabilization reform. Reduction in government deficits reduces inflationary pressures and reduces the extent to which government spending "crowds out" and, thereby, reduces private investments in additions to productive facilities. In some cases, government s have already achieved surpluses. Where receipts from privatization have contributed substantially to such surpluses, their continuation may be in doubt so require monitoring. In most cases of recent surpluses, their moderation will be desirable.

The GDP price deflator is a summary measure of the effectiveness of combined fiscal and monetary in moderating inflation so that producers and consumers can make current investment, production, and consumption decisions with minimal attention to the uncertainty of what prices will be in the immediate and intermediate future. The general effect of reduced inflation is greater producer attention to productive efficiency and what consumers want and less attention to speculation about price movements.

The health of a nation's export industries and the rationality of its foreign exchange regime are indicated by the size of its foreign exchange reserves compared with the size of its monthly imports. In general, something like a 5 or 6 months reserve is optimal. However, nations that adopt entirely free market foreign exchange and capital markets will have neither need for nor calculation of "official foreign exchange reserves." So in some cases, very extensive reforms could, by 2000, obviate the relevance of this indicator.

SSO3: Support appropriate and functioning economic policies, market reforms and institutions in selected emerging markets and priority countries.									
APPROVED: 04/10/97			COUNTRY/ORGANIZATION: G/EG/EM: SSO#3						
INTERMEDIATE RESULT: 3.3 Increased economic stability and stabilization reforms.									
INDICATOR: 3.3.1 Government surplus/deficits as a percent of GDP, inflation rates and foreign exchange reserves measured in number of months of import coverage.									
UNIT OF MEASURE: Government surplus or deficits, the inflation rate, and months of import coverage, e.g. foreign exchange reserves.						SOURCE: WDR, IFC, BOP			
INDICATOR DESCRIPTION: These 3 measures of economic stabilization provide an excellent insight into the direction of the economy.						COMMENTS: These data are readily available but there will likely be a lag in collecting them.			
COUNTRY	Government Surplus/Deficit as a Percent of GDP			Average Annual Rate of Inflation Measured by GDP Deflator			Gross International Reserves as Months of Import Cover		
	BASE YEAR, 1995	PLANNED YEAR 2000	ACTUAL YEAR 2000	BASE YEAR, 1993-95	PLANNED Average 1998-2000	ACTUAL Average 1998-2000	BASE YEAR, 1994	PLANNED YEAR 2000	ACTUAL YEAR 2000
BOLIVIA	-3.6	-1.2%		8.9	3.0		5.8	5.0	
EGYPT	2.0	0.6		8.3	6.0		10.7	7.0	
EL SALVADOR	-0.8	-0.3		10.4	3.5		3.4	6.0	
GHANA	-4.7	-1.0		33.1	6.0		3.9	6.0	
HAITI	□	-2.0		30.4	3.0		□	5.0	
INDIA	-6.5	-4.0		9.5	6.0		6.7	7.0	
INDONESIA	0.6	0.2		7.9	5.0		3.2	5.0	
JORDAN	1.1	0.4		4.3	4.0		5.0	6.0	
PERU	3.0	1.0		15.5	3.0		9.7	7.0	
PHILIPPINES	-1.5	-0.5		8.7	6.0		3.1	4.0	
POLAND	-2.3	-0.8		28.3	5.0		2.8	6.0	
RUSSIA	-10.5	-3.5		249.6	8.0		1.5	6.0	
SOUTH AFRICA	-6.2	-2.0		10.3	3.5		1.3	4.5	
UKRAINE	□	-3.0		616.6	10.0		□	6.0	
ZIMBABWE	□	-2.0		25.0	5.0		3.2	6.0	

□ = Data being collected

Intermediate Result 3.4: Increased Application of Legal, Institutional, and Regulatory Reforms for Competitive markets

Most of USAID's host governments have, usually with extensive Mission help in various forms, reduced the great variety of regulations and taxes that kept their private employers from participating effectively and extensively in international trade. But those regulations, tariffs, and other barriers inherited from the 1970s and 1980s were enormously varied, complex, and extensive. So Missions continue to help host governments with reforms that reduce the size and extent of the many remaining barriers to productive efficiency and job creation by private employers.

The sum of imports and exports compared with the size of each nation's GDP measures both the nation's openness to international competition and the effectiveness of domestic producers in selling internationally. Between 1980 and 1993, total world output averaged annual growth of 2.4%. World merchandise exports averaged growth nearly twice as great, 4.6% a year. G/EG/EM will continue to assist Missions supporting policy reforms that will permit host nations to keep and improve their positions in international competition.

SSO3: Support appropriate and functioning economic policies, market reforms and institutions in selected emerging markets and priority countries.

APPROVED: 04/10/97

COUNTRY/ORGANIZATION: G/EG/EM: SSO#3

INTERMEDIATE RESULT: 3.4 Increasing application of legal, institutional and regulatory reforms for competitive markets.

INDICATOR: 3.4.1 Trade Openness within USAID-assisted countries as measured by exports plus imports (X+M) as a percent of GDP.

UNIT OF MEASURE: (X+M)/GDP

SOURCE: WDR, IMF

INDICATOR DESCRIPTION: Describes changes in trade openness as an indicator of institutional, legal and regulatory functioning in a competitive environment

COMMENTS: Data will be lagged.

COUNTRY	BASE YEAR, 1995	PLANNED YEAR, 2000	ACTUAL YEAR, 2000
BOLIVIA	47.4	50.0	
EGYPT	53.6	59.0	
EL SALVADOR	55.2	65.0	
GHANA	58.6	62.0	
HAITI	17.0	20.0	
INDIA	27.2	32.0	
INDONESIA	52.9	60.0	
JORDAN	120.9	TBD	
PERU	30.0	32.0	
PHILIPPINES	80.3	110.0	
POLAND	54.3	58.0	
RUSSIA	44.0	47.0	
SOUTH AFRICA	44.2	47.0	
UKRAINE	38.3	41.0	
ZIMBABWE	74.3	78.0	

TBD = To be determined

Intermediate Result 3.5: Increased Trade, Investment, and Generally Enhanced Business Environment

Missions have provided extensive help to host governments with reforms that have been changing incentive environments from unfriendly to increasingly friendly to private employers who add to the demand for workers and whose competition for employees eventually forces wages up. When considering overseas investment, private employers are free to choose among many nations. Foreign Direct Investment (foreigners building plants and hiring local workers) indicates the attractiveness of a nation's business environment to foreign and to domestic employers. G/EG/Em will continue to assist Missions with the reforms that make nations increasingly attractive to foreign and to domestic investors seeking locations in which to build and to hire.

SSO3: Support appropriate and functioning economic policies, market reforms and institutions in selected emerging markets and priority countries. APPROVED: 04/10/97 COUNTRY/ORGANIZATION: G/EG/EM: SSO#3				
INTERMEDIATE RESULT: 3.5 Increased trade, investment and enhanced general business environment.				
INDICATOR: 3.5 .1 Changes in levels of Foreign Direct Investment (FDI) as a percentage of GDP.				
UNIT OF MEASURE: FDI/GDP SOURCE: IMF (BOP Report) INDICATOR DESCRIPTION: Measures the flow of FDI into a country as a percentage of GDP. COMMENTS: Data for FDI will lag.	COUNTRY	BASE YEAR, 1995	PLANNED YEAR, 2000	ACTUAL YEAR, 2000
	BOLIVIA	2 .4	2.6	
	EGYPT	1.3	2.5	
	EL SALVADOR	0.4	1.2	
	GHANA	3 .6	4.5	
	HAITI	0.1	1.0	
	INDIA	0.4	1.2	
	INDONESIA	2.2	4.0	
	JORDAN	0.7	1.0	
	PERU	3.3	3.3	
	PHILIPPINES	2.0	4.0	
	POLAND	3.1	3.2	
	RUSSIA	0.6	2.0	
	SOUTH AFRICA	0.002	1.0	
	UKRAINE	0.3	1.5	
	ZIMBABWE	0.6	1.2	

Strategic Support Objective (SSO) 3:
Support appropriate and functioning economic policies, market reforms and institutions
in selected emerging markets and priority countries.

SSO Indicator

Changes in a composite index of economic growth indicators in emerging markets and priority countries (Policy Matrix Model)

Intermediate Results

3.1 Increased host country privatization efforts and competitive market environments.	3.2. Increasingly liquid, transparent and rationalized financial markets.	3.3. Increased economic stability and structural reforms.	3.4. Increased application of legal, institutional and regulatory reforms for competitive markets.	3.5. Increased trade, investment and general business environment
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Indicators

3.1.1 Subsidies, paid by government to state-owned enterprises, as a percent of total government spending.	3.2.1 Changes in capital market flows within USAID-assisted countries as measured by DEPTH (M2/GDP)	3.3.1 Government surplus/deficits as a % of GDP, inflation rates and foreign exchange reserves measured in number of months of import coverage.	3.4.1 Changes in Trade Openness (exports plus imports) as a % of GDP, within USAID-assisted countries.	3.5.1 Changes in levels of Foreign Direct Investment as a % of GDP.
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Special Objective 1: Better Access to Finance, Technology and Information for Microenterprises and Small Businesses

1. Overview and Factors Affecting Program Performance:

Under the auspices of EG's Credit and Investment Staff, the Micro and Small Enterprise Development Program ("MSED") operates Special Objective #1. It has the overall goal of increasing the amount of credit available for microenterprises and small businesses. In order to measure MSED's ability to increase credit to these targeted groups, CIS has developed certain performance indicators. These performance indicators, such as increasing the number of loans, lowering net asset size, increasing the numbers of first-time borrowers, etc., have been incorporated into the Center's Results Review (R2a) package.

MSED continues to help: mobilize credit for microenterprises and small businesses; develop innovative financing mechanisms; and strengthen the capacity of indigenous financial institutions to engage in micro and small business lending. The MSED Program was created in recognition of the vital role that micro and small enterprises (MSEs) play in the development process, and in response to financial market imperfections which, in many developing countries, inhibit the growth and expansion of these businesses.

The ability of MSEs to grow and expand is limited by the difficulty of obtaining adequate sources of finance. Because these borrowers are generally unable to present a credit history, a business plan, and/or acceptable collateral, financial institutions are extremely reluctant to lend to this sector. The MSED Program offers a risk-sharing mechanism to encourage intermediary financial institutions (IFIs) in developing countries to lend to MSEs previously excluded from full participation in the formal financial markets. By offering partial guarantees to lessen loan credit risk, the program enables IFIs to gain experience with MSE lending, creating a demonstration effect that can set in motion a sustainable process for meeting the credit needs of microenterprises and small businesses.

The MSED Program is a key and cost-effective vehicle for advancing the Agency's microenterprise objectives. Through partial guarantees and training, the MSED Program addresses institutional constraints to the financing of microenterprises, and does so in a way that leverages scarce foreign assistance resources. While other USAID projects may focus on start-up and expanding microenterprises, the MSED Program will target *transitional* microenterprises in their efforts to graduate from the informal sector to the formal sector and from "micro" to "small". It is this sector that the MSED Program is best designed to assist.

Perhaps the key change in the development context in which MSED works has been the increasing involvement of non-governmental organizations (NGOs) and private voluntary organizations (PVOs) in offering market-rate credit to microenterprises and small businesses. MSED has worked hard to establish direct links between IFIs and microenterprise and small business borrowers, particularly to link IFIs with NGOs/PVOs to help the latter shift their sources of funding from 100% grants to a mix of grants and market-rate financing, and

eventually toward fully sustainable activities. The MSED Program is now being used to facilitate market-rate loans from IFIs to credit-worthy NGOs/PVOs which, in turn, would make loans to microenterprises on a full cost-recovery basis. The expectation is that, over time, IFIs will learn that NGOs/PVOs can be credit-worthy borrowers and will continue to extend loans for these purposes -- eventually without the guarantee. The MSED Program has now modified LPG facilities in South Africa, Indonesia, Zimbabwe and Kenya that allow participating IFIs to lend to NGOs/PVOs.

2. Progress Toward Objectives

Recognizing the need to improve its evaluation and performance monitoring capabilities, the Credit and Investment Staff (CIS), in August 1992, contracted for the design of an automated system to organize previously collected data in a logical format that would facilitate the task of assessing development performance. This system is called the Performance Monitoring and Control Information System ("PMCIS") and it has been in operation for the past three years. The development of a module to generate and track performance indicators was added to PMCIS in FY 95. Another vital upgrade, which will provide for the electronic transmission of program data, is scheduled for field testing during the third quarter of FY 97.

Performance indicators have been developed to enable CIS to more accurately track program impact on microenterprises and small businesses. The indicators also have been developed to measure the success of each guarantee facility and the portfolio as a whole. The performance indicators are organized into three objectives: Institutional and Financial Sector Development, Small Business Development, and Program Management.

3. Expected Progress Through FY 1999 and Management Action

Continued progress in meeting indicators is critically dependent on the availability of sufficient amounts of operating expenses, program funds, and subsidy appropriations. These latter are the heart of the Credit and Investment Staff's program; without them, there would be no direct loans or portfolio guarantees supporting micro and small business lending. Management actions required to ensure the availability of such funds are strong, senior-level Agency support both with OMB and on the Hill.

Intermediate Result 1: Create Linkages Between Financial Institutions and Micro and Small Businesses

Progress toward reaching smaller borrowers is indicated by decreasing Average Loan Size, as shown below.

SpO 1: Better Access to Finance, Technology and Information for Microenterprises and Small Businesses. APPROVED: 8/2/96 COUNTRY/ORGANIZATION: G/EG/CIS			
INTERMEDIATE RESULT 1: Create linkages between formal financial institutions and micro and small businesses with the purpose of facilitating sustainable access to credit for those sectors.			
INDICATOR: Change in average loan size within an IFI's portfolio under LPG coverage, per year, over the course of the facility.			
UNIT OF MEASURE: Average loan size by IFI under LPG coverage <hr/> SOURCE: <u>Quarterly qualifying loan schedules submitted by IFIs</u> <hr/> INDICATOR DESCRIPTION: Average size of loan or line of credit granted to borrower by IFI under LPG coverage. <hr/> COMMENTS: The indicators seek to examine the characteristics of the LPG portfolio of loans by measuring change in average size of loans made by participating IFIs. Smaller loans suggest newer, smaller borrowers accessing IFIs.	YEAR	PLANNED	ACTUAL
	93	\$9,500	\$8,462
	96	\$8,000	\$7,734
	98	\$7,800	

Intermediate Result 2: Encourage Indigenous Financial Institutions to Increase Lending to Micro and Small Businesses

The performance history of this IR is rich with political and policy decisions made outside the implementing office. As an example, during the latter half of FY 93, senior management within USAID decided to terminate the Small Business Loan Portfolio Guarantee Program, today referred to as the Micro and Small Enterprise Loan Portfolio Guarantee (LPG) Program. In order to carry out this directive, certain LPG projects which were under-utilized or not considered essential to a USAID Mission's portfolio were terminated on September 30, 1993. The remaining guarantee projects were scheduled for termination by September 30, 1996. Only two guarantee projects were permitted to be committed during FY 1993. Thus, in the subsequent years of 1994, 1995 and 1996, the absolute number of active guarantees made available were lower than during previous years.

In FY 1994, the Agency's senior management revisited the close-out decision of the LPG Program in response to strong support from USAID field missions. After this review, the LPG Program was redirected to focus on providing credit for microenterprises. Such a shift in program emphasis required a more intensive marketing effort to identify appropriate financial intermediaries to engage in lending to this sector. Concomitantly, these types of guarantee projects experienced even longer time lags before project start-up or utilization commenced.

While utilization criteria are deemed important indicators of success, all these events have caused fluxuations in the actual targets (%) presented in the table below.

SpO 1: <i>Better Access to Finance, Technology and Information for Microenterprises and Small Businesses.</i>			
APPROVED: 8/2/96		COUNTRY/ORGANIZATION: G/EG/CIS	
INTERMEDIATE RESULT 2: Encourage indigenous financial institutions to increase lending to micro and small businesses.			
INDICATOR: Utilization rate for the entire LPG portfolio.			
UNIT OF MEASURE: Utilization rate as of FYE for the worldwide LPG portfolio. SOURCE: <u>Contractor reports</u> INDICATOR DESCRIPTION: Amount of total loans outstanding (guaranteed portion) as of FYE as a percentage of aggregate Guarantee Limits. COMMENTS: The indicator measures efficiency in identifying suitable IFIs for the LPG Program, determining the appropriate portfolio size, promoting active utilization of the guarantee facilities, managing and monitoring IFI performance, and taking actions to reduce (the size of) or terminate non-performing facilities.	YEAR	PLANNED	ACTUAL
	1991	50%	35%
	1992	50%	24%
	1993	50%	32%
	1994	40%	36%
	1995	30%	30%
	1996	35%	29%
	1997	40%	
	1998	50%	

Special Objective 2: Enhance the Ability of Indigenous Business to Become Viable within Emerging Markets (IESC and ATI)

1. Overview and Factors Affecting Program Performance:

IESC: Funding has been reduced for core (headquarters funding) and IESC headquarters staff has been reduced comparably to bring total numbers on staff to a minimum level. The organization has been operating efficiently within these levels.

ATI: In the 1995-1996 period, ATI underwent a significant cutback in funding from USAID, from \$4 million to \$3 million. As a result, its administrative staff (communications, executive, finance and administration) has been reduced by nine staff members, and fringe benefits have been reduced. Despite the cutbacks, all seven program areas in ATI's current portfolio were retained. Although some new business development initiatives were postponed.

2. Progress toward Objectives

IESC: (a) Progress has been good in meeting all goals of program; (b) Progress met expectations toward achieving desired results; and © The trend is toward a much larger proportion of the program operating in the ENI region, and with an increased focus on business development services, as compared to only technical assistance.

ATI: Based on preliminary projections, two key indicators demonstrate that ATI has surpassed its planned goals. ATI exceeded its planned goals of \$9,100,000 in annual monetary benefits from economic activities; its preliminary projections are for \$10,853,000. Similarly, the planned goal for the annual number of economic participants benefitting from sustainable economic activities was exceeded. While the plan was for 205,000 benefitting participants, 223,000 were served. Information on the other two goals -- "Annual total private sector investment mobilized" and "Annual total participant payments for services from ATI-related activities" -- will not be available until July, 1997.

A mid-term report was prepared in January, 1996. There are no plans for further evaluations at this time.

3. Expected Progress Through FY 1999 and Management Actions

IESC: Assuming FY 1997 funding levels, IESC will maintain its current level of activity and reach desired results. However, with a lower level of core funding for headquarters, it will not be able to maintain an adequate level of headquarters performance.

ATI: ATI has been responsive to suggested improvements in further refining results indicators. Accordingly, they will use four new indicators in FY 97-'99 to more clearly define successes in their methodology of transferring business skills to their targeted populations.

Intermediate Result 1: Volunteer Assistance Enhances Host Country Business Viability in Emerging Markets

This indicator measures the impact of IESC's technical assistance to firms and organizations in emerging markets by measuring the total monetary benefits accruing to enterprises assisted. As such, we consider it to be a truer measure of impact than previous data, which concentrated on number of assistance visits undertaken.

SpO 2: Enhance the Ability of Indigenous Business to Become Viable with Emerging Markets APPROVED: Not approved COUNTRY/ORGANIZATION: G/EG/BD			
INTERMEDIATE RESULT 1: Volunteer assistance enhances host country business viability in emerging markets			
INDICATOR: Changes in Total Monetary Benefits of Enterprises Assisted			
UNIT OF MEASURE: SOURCE: IESC Client Survey INDICATOR DESCRIPTION: 1. Indigenous businesses - Number of services provided (includes technical assistance and business development services combined). 2. Monetary benefits of enterprises assisted(includes total of sales increases, new financing received, purchases from U.S. companies, joint ventures achieved and cost reductions) 3. Jobs generated or saved COMMENTS:	Year	Planned	Actual
	1996		2964
	1995		\$535M
	1995		26,000

Intermediate Result 2: Economically Sustainable Technologies Create Commercially Viable Small Enterprises

This indicator was developed specifically for ATI's operations as a result of their acceptance of performance-based measures in the ATI IV grant. Unlike previous indicators used by the Agency and ATI, this indicator seeks to track, longer-term, the impact of their interventions.

SpO 2: Enhance the Ability of Indigenous Businesses to Become Viable Within Emerging Markets APPROVED: April 11, 1997 COUNTRY/ORGANIZATION: Worldwide/Appropriate Technology Int'l			
INTERMEDIATE RESULT 2: Economically Sustainable Technologies Create Commercially Viable Small Enterprises			
INDICATOR: Changes in Total Monetary Benefits of Enterprises Assisted			
UNIT OF MEASURE: SOURCE: INDICATOR DESCRIPTION: 1. Annual total monetary benefits from sustainable economic activities 2. Annual number of economic participants benefitting from Sustainable economic activities COMMENTS:	YEAR	PLANNED	ACTUAL (Preliminary Projections)
	1996	9,100,000	10,853,000
	1996	205,000	223,000

Special Objective 3: Expand Technology Transfer by U.S. Business (CTIS & ETNA)

1. Overview and Factors Affecting Program Performance

The Center for Trade and Investment Services (CTIS) met its goal of improving public awareness of USAID programs, trade and procurement opportunities. It exceeded its performance target of 5,000 by responding to over 16,267 requests for information in 1996. Responses included telephone and in-person counseling sessions, and transmission of information through the Business Opportunities Broadcast fax system.

CTIS has determined that it can be of greater value to the Agency and better serve the U.S. private sector with a more targeted approach to linking bonafide procurement opportunities with U.S. providers. Using the number of actual technology transfer opportunities for U.S. business as a new results measure in FY 97, CTIS operations have now been revamped in order to mirror Agency sectoral focuses on agribusiness, environment, and health and population. As USAID missions and local partners identify technology opportunities, CTIS, through its databases, can match the developing country's needs with specific U.S. companies having the appropriate technologies to address the problem. Through this process, CTIS will promote the use of private sector solutions and approaches in USAID development assistance programming.

CTIS also manages the Environmental Technology Network for Asia (ETNA). ETNA electronically matches environmental business leads, submitted by in-country representatives from ten Asian countries, to appropriate U.S. environmental companies registered within its database. Based on ETNA/Asia's success, CTIS created and manages the Environmental Technology Network for Americas, and is being used as the model for developing the new sector matching programs previously mentioned.

2. Progress Toward Objectives

In 1996, CTIS restructured its entire operation (databases, information sources, and personnel). New taxonomies for agribusiness with 80 sub-sectors, health and population with 70 sub-sectors, and information technology with 60 sub-sectors were designed to allow targeted matching of opportunities with U.S. firms. A new Internet-based system was developed to allow CTIS and CTIS regional offices to list firms, and field representatives to list business leads. The system will then electronically match the leads with the appropriate firms in the CTIS database.

A new contract, the Global Technology Network (GTN), was finalized to operate clearinghouse activities for regional sectoral matching of opportunities and needs with providers. A buy-in from the Africa Bureau provided CTIS with funding to manage a newly created network in Africa and the clearinghouse activity in Washington which will match and disseminate the leads. ETNA/Americas also operates under GTN and includes a buy-in from the Environment Center.

This activity went from the organizational stage to fully operational in 1996. USAID staff worked closely with the ETNA contractor and together made a dramatic improvement in the quality and volume of the leads. This program is now generating around 35 environmental leads a month. For FY 96, 335 leads were disseminated, resulting in over 35,000 matches with U.S. firms. An informal relationship was established with the USDOC to obtain environmental information from Latin American countries and support from USDOC's domestic offices to register and follow-up on leads. This will strengthen the program as this relationship is solidified.

ETNA/Asia continued to show good results. In 1996 ETNA received 993 leads, which resulted in 115,310 matches with U.S. firms. Over the past year, companies have reported sales totaling \$7 million as a direct result of receiving an ETNA lead. Total technology transfers to Asia, as a result of ETNA leads, exceeded \$32 million.

3. Expected Progress Through FY 1999 and Management Actions

During FY 97 and beyond, CTIS will build a comprehensive database of U.S. agribusiness and health firms covering all sub-sectors within the newly developed taxonomies for each industry. The target registration of U.S. firms for FY 97 is 300. Training for the new Technical Representatives in Africa will be conducted in April, 1997, which will be followed by the opening of the trade lead network for agribusiness and health and population.

A key element to the future success of the ETNA/Americas program hinges on a new formal interagency agreement between USAID and the USDOC to place FSNs in key countries in Latin America of which would be dedicated to the ETNA program. Funding support for this new arrangement must be forthcoming as there are currently insufficient resources dedicated to this critical part of ETNA.

Both ETNA programs will be adding a full-time position this fiscal year to provide follow-up with U.S. firms receiving leads. The follow-up activity, which has been started on a limited basis by current staff, should lead to more U.S. firms responding to leads, bidding on more proposals, and ultimately winning more contract awards. In addition, this activity will provide a systematic method of tracking results which previously were dependent on firms voluntarily reporting to ETNA.

Intermediate Result 1: Expanded outreach of business and trade opportunities

This indicator specifically addresses not only the number, but effectiveness of the information disseminated via the Agency's premier business outreach vehicles.

SpO 3: Expand Technology Transfer by U.S. Business (CTIS & ETNA) APPROVED: COUNTRY/ORGANIZATION: World Wide/CTIS; Asia & Latin America/ETNA			
INTERMEDIATE RESULT 1: Expanded outreach of business and trade opportunities			
INDICATOR: Increase public and private sector contacts with CTIS and CTIS regional offices			
UNIT OF MEASURE: SOURCE: CTIS & ETNA Report tracking systems INDICATOR DESCRIPTION: COMMENTS: Public and Private Sector Contacts (CTIS) Public and Private Sector Contacts (ETNA/Asia & Americas) # Included in CTIS Planned Total	YEAR	PLANNED	ACTUAL
	1996	5,000#	16,267
	1996	#	1,328

Special Objective 4: Increased Science and Technology Cooperation among Middle Eastern and Developing Countries, and Utilization of U.S. and Israeli Technical Expertise by Developing Countries

1. Overview and Factors Affecting Program Performance:

Three programs support this strategic objective: the U.S.-Israel Cooperative Development and Research Program (CDR); the U.S.-Israel Cooperative Development Program (CDP); and the Middle East Regional Cooperation Program (MERC). These programs forge new links between Arab and Israeli scientific and technical institutions, and between scientists in developing countries with counterparts in the U.S. and Israel. The results of this science and technology cooperation have been numerous, including advances in saline agriculture, improved agricultural water management technology, improved biopesticides, as well as added understanding of leishmaniasis and leprosy.

Because of the integral involvement of Israel, the strength of the cooperation and the success of the research depends upon the Middle East Peace Process. Recent political tension in the region could negatively impact all three programs. This is particularly true for the MERC Program, which is entirely based upon Arab-Israeli cooperation. Travel restrictions during periods of unrest, such as the restrictions last Fall between Israel and the Palestinian Authority, impede the implementation of cooperative projects. This factor, as well as diplomatic obstacles, could reduce the number and effectiveness of technical linkages under this Special Objective.

Both the CDP and CDR Programs have large components dealing with the former Soviet Central Asia. As such, they are dependent upon donor restrictions to the former Soviet Union, political events affecting the acceptance of Israel in this historically Muslim region and, most especially, by the frequently changing financial restrictions placed on foreign currency exchanges by the governments of these former communist states. Movement of funds and equipment, even under foreign aid exemptions, has been a major obstacle to the establishment and maintenance of productive technical linkages under both CDR and CDP.

2. Progress Toward Objectives

Responsibility for management of CDR, MERC, and CDP were transferred to the EG Center in October, 1996. We therefore begin our monitoring of progress with FY 97 as the baseline. The baseline figures contained within the attached performance data tables were drawn from available project records. It has not been a requirement in the past for individual grants to report on specific indicators; however, all continuing and newly awarded grants will be required to report annually on the indicators identified under the intermediate results for this Special Objective.

In addition to individual project reports, EG has placed more emphasis on conducting evaluations of projects, or groups of related projects, to determine the impact of specific

grants as well as the programs as a whole. Of particular note, CDIE will be conducting a review of the MERC Program this year. The focus of this study will be the contribution of collaborative research to the building of peaceful relationships in the Middle East. The study will examine ongoing MERC projects as well as some that have been completed to determine if participation in the MERC Program has a lasting impact on collaboration within the Middle East. Additionally, following the annual consultation between USAID and MASHAV on the CDP, it was suggested that an evaluation of the CDP would help ensure that this program continues to meet the objectives of both MASHAV and USAID.

3. Expected Progress Through FY 1999 and Management Actions

By implementing the management plans above, we expect to see a significant increase in regional workshops and meetings, which will strengthen technical linkages. Increases in technical personnel exchanges and jointly authored scientific publications are also expected to increase due to the MERC reporting requirements and CDR grant provisions initiated by EG.

We expect that the CDP will sustain its overall number of trainees and technical consultancies, while increasing the number of such activities with neighboring countries in the Middle East. This increased focus on the Middle East will further leverage the contribution of the CDP to foreign policy goals in this region. This, however, will require a reduction in other regions of the world with the exception of the Central Asian Republics (CAR), which are a special focus area within the CDP. Obstacles encountered earlier in CAR program implementation have been sufficiently overcome to assure an increased pace of activities in the next couple of years. However, program sustainability at FY 97 levels assumes continued funding at current levels. If funding levels are changed, concomitant adjustments in both training and technical assistance activities will occur. As with the MERC Program, interruption of the Peace Process will likewise impede an increased level of activities in countries of the Middle East.

SpO4: Increased science and technology cooperation among Middle Eastern and developing countries.			
APPROVED: Not yet approved		COUNTRY/ORGANIZATION: G/EG/AFS	
INTERMEDIATE RESULT 4.1: Collaboration between Israeli and other Middle Eastern or developing country scientists established.			
INDICATOR 4.1.a: Increased number of joint publications			
UNIT OF MEASURE: Number of publications authored by both Israeli and Middle Easter or developing country scientists. SOURCE: Annual grant reports INDICATOR DESCRIPTION: Number is cumulative across all grants in MERC and CDR . COMMENTS:	YEAR	PLANNED	ACTUAL
	1996		25
	1997	35	
	1998	50	
	1999	60	

SpO4: Increased science and technology cooperation among Middle Eastern and developing countries			
APPROVED: Not yet approved		COUNTRY/ORGANIZATION: G/EG/AFS	
INTERMEDIATE RESULT 4.1: Collaboration between Israeli and other Middle Eastern or developing country scientists established.			
INDICATOR 4.1.b: Increased number of exchanges of technical people between countries.			
UNIT OF MEASURE: Number of cross-country visits for research implementation and training per grant per year. SOURCE: Annual grant reports INDICATOR DESCRIPTION: Physical exchanges of people between countries. COMMENTS:	YEAR	PLANNED	ACTUAL
	1996		1.5
	1997	3	
	1998	4	
	1999	5	

SSO4: Increased science and technology cooperation among Middle Eastern and developing countries.			
APPROVED: Not yet approved		COUNTRY/ORGANIZATION: G/EG/AFS	
INTERMEDIATE RESULT 4.1: Collaboration between Israeli and other Middle Eastern or developing country scientists established.			
INDICATOR 4.1.c: Increased number of regional meetings and workshops per year.			
UNIT OF MEASURE: Number of meetings and workshops in the Middle East or developing countries per year. SOURCE: Annual grant reports INDICATOR DESCRIPTION: Number is cumulative across all grants in MERC and CDR . COMMENTS:	YEAR	PLANNED	ACTUAL
	1996		10
	1997	15	
	1998	20	
	1999	25	

SpO4: Increased science and technology cooperation among Middle Eastern and developing countries.			
APPROVED: Not yet approved		COUNTRY/ORGANIZATION: G/EG/AFS	
INTERMEDIATE RESULT 4.2: Israeli agricultural technical expertise transferred to Middle Eastern and developing countries.			
INDICATOR 4.2.a: Sustained 1996 level of farmers and extension agents trained in agricultural technologies			
UNIT OF MEASURE: Number of trainees SOURCE: MASHAV training records INDICATOR DESCRIPTION: Numbers of persons attending courses COMMENTS:	YEAR	PLANNED	ACTUAL
	1996		4000
	1997	4000	
	1998	4000	
	1999	4000	

SpO4: Increased science and technology cooperation among Middle Eastern and developing countries.			
APPROVED: Not yet approved		COUNTRY/ORGANIZATION: G/EG/AFS	
INTERMEDIATE RESULT 4.2: Israeli agricultural technical expertise transferred to Middle Eastern and developing countries.			
INDICATOR 4.2.b: Sustained 1996 level of technical assistance consultancies in developing countries.			
UNIT OF MEASURE: Number of consultancies SOURCE: MASHAV records INDICATOR DESCRIPTION: Includes number of short and long-term consultancy programs COMMENTS:	YEAR	PLANNED	ACTUAL
	1996		90
	1997	90	
	1998	90	
	1999	90	

SpO4: Increased science and technology cooperation among Middle Eastern and developing countries.			
APPROVED: Not yet approved		COUNTRY/ORGANIZATION: G/EG/AFS	
INTERMEDIATE RESULT 4.2: Israeli agricultural technical expertise transferred to Middle Eastern and developing countries.			
INDICATOR 4.2.c: Increased number of trainees from Middle Eastern countries.			
UNIT OF MEASURE: Number of trainees SOURCE: MASHAV training records INDICATOR DESCRIPTION: Number of persons attending courses. COMMENTS:	YEAR	PLANNED	ACTUAL
	1996		600
	1997	800	
	1998	900	
	1999	1000	

SECTION III: STATUS OF THE MANAGEMENT CONTRACT

As stated in the introduction, after careful and critical review of our Strategic Framework during last year's review process, and subsequent discussions held with other offices and bureaus, it became apparent that the original Strategic Framework did not adequately reflect the EG Center's program structure and changing priorities. The status of our Management Contract is presented below. We request approval of our new Strategic Framework and Intermediate Results (and associated indicators) presented in this document.

The Economic Growth Center's Management Contract was approved April 3, 1997. While two of the Strategic Objectives were provisionally approved, SO2 and two of the "special initiatives" were not approved. After detailed reviews with G/PDSP and regional bureaus, and with the recommendations from last years' R2(a) and R2(b) Agency reviews, the Center revisited the entire strategic planning exercise and made several changes, noted below.

The structure of the strategic plan was changed from three strategic objectives and two "special initiatives" to three strategic support objectives and four special objectives. Discussions with Agency strategic planners led to the recommendation that the main activities of the Center fit better under the definition of a strategic support objective, an objective in which there are limited or shared resources and management control, along with limited or shared control of the outcome and impact. The Center's programs support, among others, research, policy development, business development strategies, strengthened institutions, and credit services. They are normally undertaken in concert with USAID field missions and/or other donors, and clearly fit this definition.

The previous Strategic Objective #1, "Better Access to Finance, Technology and Information for Microenterprises and Small Businesses", has been changed to Strategic Support Objective #1, "Improved Access to Financial and Non-financial Services for Microenterprises of the Poor." The SSO has been reworded to reflect changes in the intermediate results and associated indicators. Data sets are available for the indicators and analysis has begun this year.

The former Strategic Objective #2 was not approved. The R2 reviews stated that "Enhanced Food Security" was too broad, and didn't fit the Intermediate Results and indicators. Strategic Support Objective #2, therefore, has been modified to read "Improved Food Availability, Economic Growth and Conservation of Natural Resources through Agricultural Development." The Intermediate Results have been modified accordingly to reflect this change and data for the indicators are being collected and analyzed.

Strategic Objective #3, "Enhance USAID Effectiveness in Assisting Developing Nations to Undertake Appropriate Economic Policies and Institutional Reforms" has changed to Strategic Support Objective #3, "Support Appropriate and Functioning Economic Policies, Market Reforms and Institutions in Selected Emerging Markets and Priority Countries." Intermediate Results have been better defined, and data on impacts has been collected during the past year.

In addition, the Center has developed four Special Objectives (SpO). These SpOs represent activities which are unique to the Center and which are Agency Initiatives, Congressional Directives, or special interest programs. In some cases, they do not receive their funding from the Center's core budget. In all cases, the Center has direct management responsibility for the activity.

R4 Spreadsheets are in separate file

CENTER FOR ECONOMIC GROWTH

FY 1999

**RESULTS REVIEW
AND
RESOURCE REQUEST (R4)**

April 30, 1997

Part IV.

SECTION IV: RESOURCE REQUEST

The funding situation for the Center remains difficult, as "core" financial resources have been reduced to the point that program activities have to be curtailed. Historically, we have been able to seek and receive additional resources from regional bureaus and USAID field missions for programs that support field activities. This situation is quickly changing, however, as the Agency's overall resource levels and numbers of field missions decrease. The end result has been a major change in the number and the composition of our development activities. We no longer have the flexibility in our ongoing programs to carry out special, one-time activities and our response capability to unforeseen needs has become very limited.

Reduced staffing trends have hindered the Center's technical capacity and capability. Technically, we are losing our international development leadership role as staff retire and are not replaced. The retirement and "Reduction In Force" exercise during the past year diminished the technical staff "pool" of the Center by about 24%. The remaining staff are fully engaged and it is becoming more and more difficult to find experienced development staff available for field support activities. The continued trend toward diminished OE levels and staff ceilings have not helped this situation.

A. Core Funding Request by Objective

The core funding request has several factors which make the Economic Growth Center's request somewhat atypical; there are Agency Initiatives, Congressional directives and other "special interest" funding sources for which the Economic Growth Center has no control over the funding levels, but for which it is held accountable as the Agency's management entity for the activity. Funding is made available each year and therefore we need to plan accordingly. These situations are identified in Section B, following.

As of FY 1998, the funding for Strategic Support Objective 1, "Improved Access to Financial and Non-financial Services for Microenterprises of the Poor" is not considered to be additive to core (see Section B.) Although the Center does not establish the Microenterprise resource levels, as they are funded by a mix of sources developed by another bureau, we have planned OE and personnel levels adequate to support the anticipated level of \$25 million in FY 99.

Core funding requirements for Strategic Support Objective 2, "Improved Food Availability, Economic Growth, and Conservation of Natural Resources through Agricultural Development" is \$52 million. The funds will be distributed as follows:

- \$23.0 million for the CGIAR;*
- \$19.25 million for the CRSPs;*
- \$2.0 million for IFDC (Alabama);*
- \$1.0 million for Postharvest CASP;*

- \$0.50 million for Agr. Biotechnology;
- \$1.0 million for Food Policy Research;
- \$1.2 million for Agr. Policy Analysis;
- \$1.5 million for Agr. Marketing & Agribusiness;
- \$0.3 million for Spring x Winter Wheat (OSU);
- \$1.75 million for the BASIS activity.

Within this total for core funding, "directed" activities account for a total of \$42.35 million, distributed among the following activities: \$20 million to the CGIAR, \$17.25 million to the CRSPs, \$2.0 million to the IFDC, \$1.0 million to the Postharvest CASP, \$0.5 million to Agriculture Biotechnology, \$0.5 million to Food Policy Research, \$0.3 million to Spring x Winter Wheat, and \$0.8 million to the BASIS activity.

Strategic Support Objective 3, "Support Appropriate and Functioning Economic Policies, Market Reforms and Institutions in Selected Emerging Markets and Priority Countries", has a core funding requirement of \$5.0 million, and will be implemented by one activity, SEGIR. SEGIR is designed as an "umbrella" activity which combines the efforts of seven previous projects. This consolidation has led to more effective management of resources, and better alignment with strategic planning.

The four Special Objectives have a total core funding requirement of \$7.0 million. Funds will be distributed as follows:

- *Special Objective 1, "Better Access to Finance and Information for Micro and Small Businesses", will receive \$0.8 million for the MSED activity;*
- *Special Objective 2, "Enhance the Ability of Indigenous Businesses to Become Viable Within Emerging Markets", will receive \$5.5 million:*
 - *\$2.5 million for ATI;*
 - *\$3.0 million for IESC;*
- *Special Objective 3, "Expanded Technology Transfer by US Businesses" will receive \$1.0 million:*
 - *\$0.75 million for CTIS;*
 - *\$0.25 million for ETNA (Outreach);*
- *Special Objective 4, "Increased Understanding and Collaboration Among Middle Eastern Countries, and Utilization of US and Israeli Technical Expertise by Developing Countries", is also not considered additive to EG's core, as it is a function transferred to the Center from elsewhere in the Agency. This objective is funded through a special Agency initiative, and its levels are externally determined and assigned to the Center.*

B. External Funding and Agency Initiatives

As noted above, the EG Center manages several activities and special programs which are not included in our core funding request, but for which we are the responsible technical office, serving as the management entity. Funding may come from a special Agency funding source, or from multiple sources within the Agency, coordinated through PPC. Anticipated levels are:

- Microenterprise Development Initiative. This is an Agency initiative, linked with SSO 1, funded at \$25 million;*
- Middle East Support Programs, identified as Special Objective 4, with the following funding levels: CDR=\$5.5 million; CDP=\$7.0 million; and, MERC =\$7.0 million;*
- Board for International Food and Agriculture Development (BIFAD), linked with SSO 2, an Administrator's initiative, funded at \$0.1 million.*

C. OE and Staffing Requirements

Operating Expenses for FY 1999, to be used for Center travel, will equal our FY 1997 allocation of \$205,500. This request follows Agency guidance. Direct-hire travel to provide field support is the single most critical element for the Center to succeed in fulfilling its role as a "Center of Excellence". To lead the Agency's economic growth technical effort, we need to get our staff out to the field to participate in the development and refinement of mission strategic plans, results packages and new initiatives, and to provide technical expertise where needed.

It must be noted, however, that this request excludes any funds for travel by the MidWest Outreach Office, and is not at a level needed to properly meet our field support mandate and requirements. Administrative expenses required for the Micro and Small Enterprise Development (MSED) activity, approximately \$1.0 million per year for salaries, rent, travel and administrative support costs, are also not included, although there is a special, and separate, MSED Administrative allocation by the Agency.

In addition, there are no resources available to support the Center's sectoral or in-service training needs. There have been formal requests from the Agency economists and agriculture officers to support Agency-wide workshops for these particular backstops. While we see the need for, and support the idea of, such workshops, the lack of resources has not permitted a positive response, although the Center is presently negotiating with M/PM for some support in FY 1997. Holding such workshops at least every two years is an appropriate way of ensuring Center technical leadership.

The EG Center has an approved position level of 59, compared to the pre-RIF level of 78. While not wishing to belabor the point of staff shortages, the Center does have serious concerns that this low level is adversely affecting its technical capacity and capability.

D. Financial Plan

Attached to this section is the "Summary Resource Request FY 99", presenting the estimated level of resources required to achieve the results set forth in this R4. We have identified the amount of funds required by source (DA,DFA,etc.) for each of the SSOs and Special Objectives (SpO) for FY 97-FY 99. Also included are the estimated OE and staff requirements for each SSO and SpO for FY 99. <The R4 Spreadsheets are in a separate file.>

E. Prioritization of Objectives

It has been difficult to establish priorities among the SSOs; each has unique development characteristics, "customer" base, political interest, and performance history. Any resource changes in the SSOs would seriously compromise the Center's strategic plan and ability to act as a cohesive Economic Growth Center. If resource constraints forced elimination of activities, we would prefer that the Special Objectives be the first to be eliminated. While we have not established a ranking among Special Objective activities, a decision to eliminate them most certainly would involve other Agency offices due to the political and, in some cases, multi-source funding nature of these programs.

The ranking of Strategic Support Objectives, from most important to lesser importance, is presented below.

-- Most Important; SSO2, "Improved Food Availability, Economic Growth and Conservation of Natural Resources through Agricultural Development." This SSO has had the longest history with the Global Bureau, and its predecessor, the S&T Bureau. There is a uniqueness in its programming: it is the only location in the Agency where the agriculture sector (from research to extension and marketing) is supported. These activities have high political visibility, witnessed by the fact that 85% of its resources are directives from Congress. There is a history of solid performance: training and research programs are well documented successes.

-- Very Important; SSO1, "Improved Access to Financial and Non-financial Services for Microenterprises of the Poor." The Agency's Microenterprise Initiative supports this activity, targeted at the poor. While this is a relatively new USAID initiative, there is a documented history of impact and success in the activities presently underway. Recent statistics show that over 75% of the microenterprises are owned by women. This program also has high political visibility, and talks are underway with Congressional staff members to strengthen USAID's involvement in this sector.

-- Very Important; SSO3, "Support Appropriate and Functioning Economic Policies, Market Reforms and Institutions in Selected Emerging Markets and Priority Countries." There has been a transition in the Agency from a "private sector only" approach, to a more integrated "emerging markets" approach in stimulating private enterprise and private sector involvement in the process of economic growth in the "emerging" countries. The Office of Emerging Markets was established this year in response to the Administrator's initiative, to house the Agency's technical expertise in this sector. In addition, new programs have been developed and are beginning implementation. Impact data from previous programs, some of which have been incorporated into the new SEGIR activity, clearly demonstrate success.

Economic Growth Center

Summary Resource Request FY99

<u>Strategic Plan Category</u> <u>Funding Source</u>	<u>FY97</u> <u>Program</u>	<u>FY98</u> <u>Planned</u>	<u>FY99</u> <u>Request</u>	<u>OE & Staff</u> <u>Request</u>
SSO1: Improved Access to Financial & Non-financial Services for Micro-enterprises for the Poor.				-0- 0/0/0/0
DA	16.486	0	0	
DFA	6.994	0	0	
SSO2: Improved Food Availability, Economic Growth and Conservation of Natural Resources through Agricultural Research.				94,000 18/11/0/4
DA	55.397	50.000	52.000	
DFA	-	5.000	5.000	
SSO3: Support Appropriate and Functioning Economic Policies, Market Reforms and Institutions in Selected Emerging Markets and Priority Countries.				21,500 14/2/0/4
DA	12.230	3.700	5.000	
DFA	.900	1.000	1.000	
ESF	.300	0	0	
SpO1: Better Access to Finance and Information for Micro and Small Business.				(685,000*) 3/0/0/2
MSED	.750	.800	.800	
SpO2: Enhance the Ability of Indigenous Businesses to Become Viable within Emerging Markets.				20,000 3/0/0/8
DA	5.500	5.500	5.500	
SpO3: Expanded Technology Transfer by US Business.				15,000 3/0/0/2
DA	1.988	1.000	1.000	
SpO4: Increased Science and Technology Collaboration Among Middle Eastern and Developing Countries, and Utilization of US & Israeli Technical Expertise by Developing Countries.				-0- 0/0/0/0
ESF	10.746	0	0	

<u>Strategic Plan Category</u> <u>Funding Source</u>	<u>FY97</u> <u>Program</u>	<u>FY98</u> <u>Planned</u>	<u>FY99</u> <u>Request</u>	<u>OE&Staff</u> <u>Request</u>
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External Funding and Agency
Initiatives which are directly
managed by G/EG. (Non-add).

(SSO1):

Microenterprise Devlp

DA

0

17.500

17.500

40,000

DFA

0

7.500

7.500

8/3/1/0

(SSO2):

BIFAD Support

DA

.100

.100

.100

-0-

0/0/0/0

(SpO1):

Credit Subsidy Fund

DA

1.500

1.500

1.500

-0-

2/0/0/2

(SpO4):

Middle East Support Prog.

DA

0

5.500

5.500

15,000

1/3/0/0

ESF

0

14.000

14.000

TOTAL - ALL SO/SpOs:

205,500

(except non-add)

52/19/1/20

DA

91.601

60.200

63.500

DFA

7.894

6.000

6.000

ESF

11.046

0

0

MSED

.750

.800

.800

- FY Program funds given in \$ million.

- OE figures given in dollars. Only approved uses are travel and training, with about 98% funds used for travel. (*)-Designates Non-add funding used for Administrative Expenses for MSED.

- Staff Request are USDH, RSSA/PSSA, IPA, or contractor categories only. Numbers presented in this sequence. Numbers presented are additive in total. Center's DAA and Program Staff not included and are presented below.

- Field Support number are omitted, per guidance.

- ECA program not identified on this summary table as Center is awaiting a final decision.

- DAA Staff as follows: 4/0/0/0.

- EG/Program Support Staff as follows: 3/0/0/0.

*c:\wpwin\docs\r4\r4_eg\r4egptiv
4/30/97*

**USAID FY 1997 Budget Request by Program/Country
(\$000)**

26-Jul-99
11:11 AM

Country/Program: ECONOMIC GROWTH CENTER

S.O. # , Title			Est. SO Pipeline at end of FY 96	FY 1997 Request								Est Expend. FY 97	Est Total cost life of SO	Mortgage at end of 1997
Approp Acct	Core/ Field Spt	FY 1997 Total Request		Basic Education for Chldrn	Other Economic Growth	Population	Child Survival	HIV/AIDS	Other Health	Environ	D/G			
SSO1:Improved Access to Financial and Non-Financial Services for Microenterprises for the Poor														
	Core		26,500	0	26,500	0	0	0	0	0	0			
	Field Spt		0	0	0	0	0	0	0	0	0			
	Total		38,000	26,500	0	26,500	0	0	0	0	0	34,800	180,000	145,200
SSO2:Improved Food Availability, Economic Growth and Conservation of Natural Resources through Agricultural Development														
	Core		53,150	0	53,150	0	0	0	0	0	0			
	Field Spt		0	0	0	0	0	0	0	0	0			
	Total		40,000	53,150	0	53,150	0	0	0	0	0	62,700	480,000	417,300
SSO3:Support Appropriate and Functioning Economic Policies, Market Reforms and Institutions in Selected Emerging Markets and Priority Countries														
	Core		4,550	0	4,550	0	0	0	0	0	0			
	Field Spt		0	0	0	0	0	0	0	0	0			
	Total		15,000	4,550	0	4,550	0	0	0	0	0	12,500	60,000	47,500
SpO1:Better Access to Finance and Information for Micro and Small Business (MSED)														
	Core		2,100	0	2,100	0	0	0	0	0	0			
	Field Spt		0	0	0	0	0	0	0	0	0			
	Total		1,175	2,100	0	2,100	0	0	0	0	0	1,200	18,400	17,200
SpO2: Enhance the Ability of Indigenous Businesses to Become Viable within Emerging Markets (IESC & ATI)														
	Core		5,500	0	5,500	0	0	0	0	0	0			
	Field Spt		0	0	0	0	0	0	0	0	0			
	Total		4,550	5,500	0	5,500	0	0	0	0	0	5,500	44,000	38,500
SpO3: Expand Technology Transfer by US Business (CTIS & ETNA)														
	Core		1,150	0	1,150	0	0	0	0	0	0			
	Field Spt		0	0	0	0	0	0	0	0	0			
	Total		2,100	1,150	0	1,150	0	0	0	0	0	1,500	10,000	8,500
SpO 4:Increased Science and Technology Cooperation Among Middle Eastern & Developing Countries, and Utilization of US & Israeli Technical Expertise by Developing Countries														
	Core		16,246	0	16,246	0	0	0	0	0	0			
	Field Spt		0	0	0	0	0	0	0	0	0			
	Total		24,800	16,246	0	16,246	0	0	0	0	0	16,246	156,000	139,754
Total Core				109,196	0	109,196	0	0	0	0	0			
Total Field Support				0	0	0	0	0	0	0	0			
TOTAL PROGRAM			125,625	109,196	0	109,196	0	0	0	0	0	134,446	948,400	813,954

FY 97 Budget Request by Appropriation - (\$000's)	
Development Assistance	90,950
Development Fund for Africa	6,000
Economic Support Funds	10,746
SEED	0
FSA	0
PL 480 Title II	0
PL 480 Title III	0
Micro & Small Ent. Dev. Credit Program	1,500
Housing Investment Guarantee Program	0
Enhanced Credit Program	0
Disaster Assistance	0

**USAID FY 1998 Budget Request by Program/Country
(\$000)**

26-Jul-99
11:11 AM

Country/Program: ECONOMIC GROWTH CENTER

S.O. # , Title			Est. SO Pipeline at end of FY 97	FY 1998 Request								Est Expend. FY 98	Est Total cost life of SO	Mortgage at end of 1998
Approp Acct	Core/ Field Spt		FY 1998 Total Request	Basic Education for Chldrn	Other Economic Growth	Population	Child Survival	HIV/AIDS	Other Health	Environ	D/G			
SSO1:Improved Access to Financial and Non-Financial Services for Microenterprises for the Poor														
	Core		25,000	0	25,000	0	0	0	0	0	0			
	Field Spt		0	0	0	0	0	0	0	0	0			
	Total	29,700	25,000	0	25,000	0	0	0	0	0	0	25,000	180,000	120,200
SSO2:Imporved Food Availability, Economic Growth and Conservation of Natural Resources through Agricultural Development														
	Core		55,100	0	55,100	0	0	0	0	0	0			
	Field Spt		0	0	0	0	0	0	0	0	0			
	Total	30,450	55,100	0	55,100	0	0	0	0	0	0	55,100	480,000	362,200
SSO3:Support Appropriate and Functioning Economic Policies, Market Reforms and Institutions in Selected Emerging Markets and Priority Countries														
	Core		4,700	0	4,700	0	0	0	0	0	0			
	Field Spt		0	0	0	0	0	0	0	0	0			
	Total	7,050	4,700	0	4,700	0	0	0	0	0	0	4,700	60,000	42,800
SpO1:Better Access to Finance and Information for Micro and Small Business (MSED)														
	Core		2,300	0	2,300	0	0	0	0	0	0			
	Field Spt		0	0	0	0	0	0	0	0	0			
	Total	2,075	2,300	0	2,300	0	0	0	0	0	0	2,300	18,400	14,900
SpO2: Enhance the Ability of Indigenous Businesses to Become Viable within Emerging Markets (IESC & ATI)														
	Core		5,500	0	5,500	0	0	0	0	0	0			
	Field Spt		0	0	0	0	0	0	0	0	0			
	Total	4,550	5,500	0	5,500	0	0	0	0	0	0	5,500	44,000	33,000
SpO3: Expand Technology Transfer by US Business (CTIS & ETNA)														
	Core		1,000	0	1,000	0	0	0	0	0	0			
	Field Spt		0	0	0	0	0	0	0	0	0			
	Total	1,750	1,000	0	1,000	0	0	0	0	0	0	1,000	10,000	7,500
SpO4:Increased Science and Technology Cooperation Among Middle Eastern & Developing Countries, and Utilization of US & Israeli Technical Expertise by Developing Countries														
	Core		19,500	0	19,500	0	0	0	0	0	0			
	Field Spt		0	0	0	0	0	0	0	0	0			
	Total	24,800	19,500	0	19,500	0	0	0	0	0	0	19,500	156,000	120,254
Total Core			113,100	0	113,100	0	0	0	0	0	0			
Total Field Support			0	0	0	0	0	0	0	0	0			
TOTAL PROGRAM		100.375	113,100	0	113,100	0	0	0	0	0	0	113,100	948,400	700,854

FY 98 Budget Request by Appropriation - (\$000's)	
Development Assistance	86,100
Development Fund for Africa	6,000
Economic Support Funds	19,500
SEED	0
FSA	0
PL 480 Title II	0
PL 480 Title III	0
Micro & Small Ent. Dev. Credit Program	1,500
Housing Investment Guarantee Program	0
Enhanced Credit Program	0
Disaster Assistance	0

**USAID FY 1999 Budget Request by Program/Country
(\$000)**

26-Jul-99
11:11 AM

Country/Program: ECONOMIC GROWTH CENTER

S.O. # , Title			Est. SO Pipeline at end of FY 98	FY 1999 Request								Est Expend. FY 99	Est Total cost life of SO	Mortgage at end of 1999
Approp Acct	Core/ Field Spt	FY 1999 Total Request		Basic Education for Chldrn	Other Economic Growth	Population	Child Survival	HIV/AIDS	Other Health	Environ	D/G			
SSO1:Improved Access to Financial and Non-Financial Services for Microenterprises for the Poor														
	Core		25,000	0	25,000	0	0	0	0	0	0			
	Field Spt		0	0	0	0	0	0	0	0	0			
	Total		29,700	25,000	0	25,000	0	0	0	0	0	25,000	180,000	95,200
SSO2:Improved Food Availability, Economic Growth and Conservation of Natural Resources through Agricultural Development														
	Core		57,100	0	57,100	0	0	0	0	0	0			
	Field Spt		0	0	0	0	0	0	0	0	0			
	Total		30,450	57,100	0	57,100	0	0	0	0	0	57,100	480,000	305,100
SSO3:Support Appropriate and Functioning Economic Policies, Market Reforms and Institutions in Selected Emerging Markets and Priority Countries														
	Core		6,000	0	6,000	0	0	0	0	0	0			
	Field Spt		0	0	0	0	0	0	0	0	0			
	Total		7,050	6,000	0	6,000	0	0	0	0	0	6,000	60,000	36,800
SpO1:Better Access to Finance and Information for Micro and Small Business (MSED)														
	Core		2,300	0	2,300	0	0	0	0	0	0			
	Field Spt		0	0	0	0	0	0	0	0	0			
	Total		2,075	2,300	0	2,300	0	0	0	0	0	2,300	18,400	12,600
SpO2: Enhance the Ability of Indigenous Businesses to Become Viable within Emerging Markets (IESC & ATI)														
	Core		5,500	0	5,500	0	0	0	0	0	0			
	Field Spt		0	0	0	0	0	0	0	0	0			
	Total		4,550	5,500	0	5,500	0	0	0	0	0	5,500	44,000	27,500
SpO3: Expand Technology Transfer by US Business (CTIS & ETNA)														
	Core		1,000	0	1,000	0	0	0	0	0	0			
	Field Spt		0	0	0	0	0	0	0	0	0			
	Total		1,750	1,000	0	1,000	0	0	0	0	0	1,000	10,000	6,500
SpO4: Increased Science and Technology Cooperation Among Middle Eastern & Developing Countries, and Utilization of US & Israeli Technical Expertise by Developing Countries														
	Core		19,500	0	19,500	0	0	0	0	0	0			
	Field Spt		0	0	0	0	0	0	0	0	0			
	Total		24,800	19,500	0	19,500	0	0	0	0	0	19,500	156,000	100,754
Total Core				116,400	0	116,400	0	0	0	0	0			
Total Field Support				0	0	0	0	0	0	0	0			
TOTAL PROGRAM			100,375	116,400	0	116,400	0	0	0	0	0	116,400	948,400	584,454

FY 99 Budget Request by Appropriation - (\$000's)	
Development Assistance	86,100
Development Fund for Africa	6,000
Economic Support Funds	19,500
SEED	0
FSA	0
PL 480 Title II	0
PL 480 Title III	0
Micro & Small Ent. Dev. Credit Program	1,500
Housing Investment Guarantee Program	0
Enhanced Credit Program	0
Disaster Assistance	0